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ABSTRACT

Theological school trusteeship is addressed in 12 articles and appended information. Titles and authors are as follows: "The Responsibilities of Stewardship" (Robert Wood Lynn); "Trusteeship and Administration" (Larry L. Greenfield); "Organization of the Board" (Henry W. Sherrill); "Trustee Selection, Recruitment, Development, and Assessment" (Dayton Hultgren, Mary Bigelow McMillan); "Trustee Conduct" (Jesse H. Ziegler); "Planning: Mission, Goals, Programs" (John H. Tietjen); "The Seminary Board and Fund Raising" (Robert G. Bottoms); "Trustees and Academic Affairs" (F. Thomas Trotter); "Financial and Physical Asset Management" (Badgett Dillard); "Accountability to Church and State" (William L. Baumgaertner); "What You Need to Know About Public Relations" (Norbert J. Hruby); and "Trustee Traditions and Expectations" (Robert K. Greenleaf). Appendices include the following: self-study criteria for governing boards of theological schools, a user's guide to the self-study criteria for governing boards, guidelines for bylaw development for theological school boards of trustees, and an artlcle entitled "Trustees and Preventive Law" (Kent M. Weeks). (SW)

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The GOOD STEWARD

A Guide to Theological School Trusteeship

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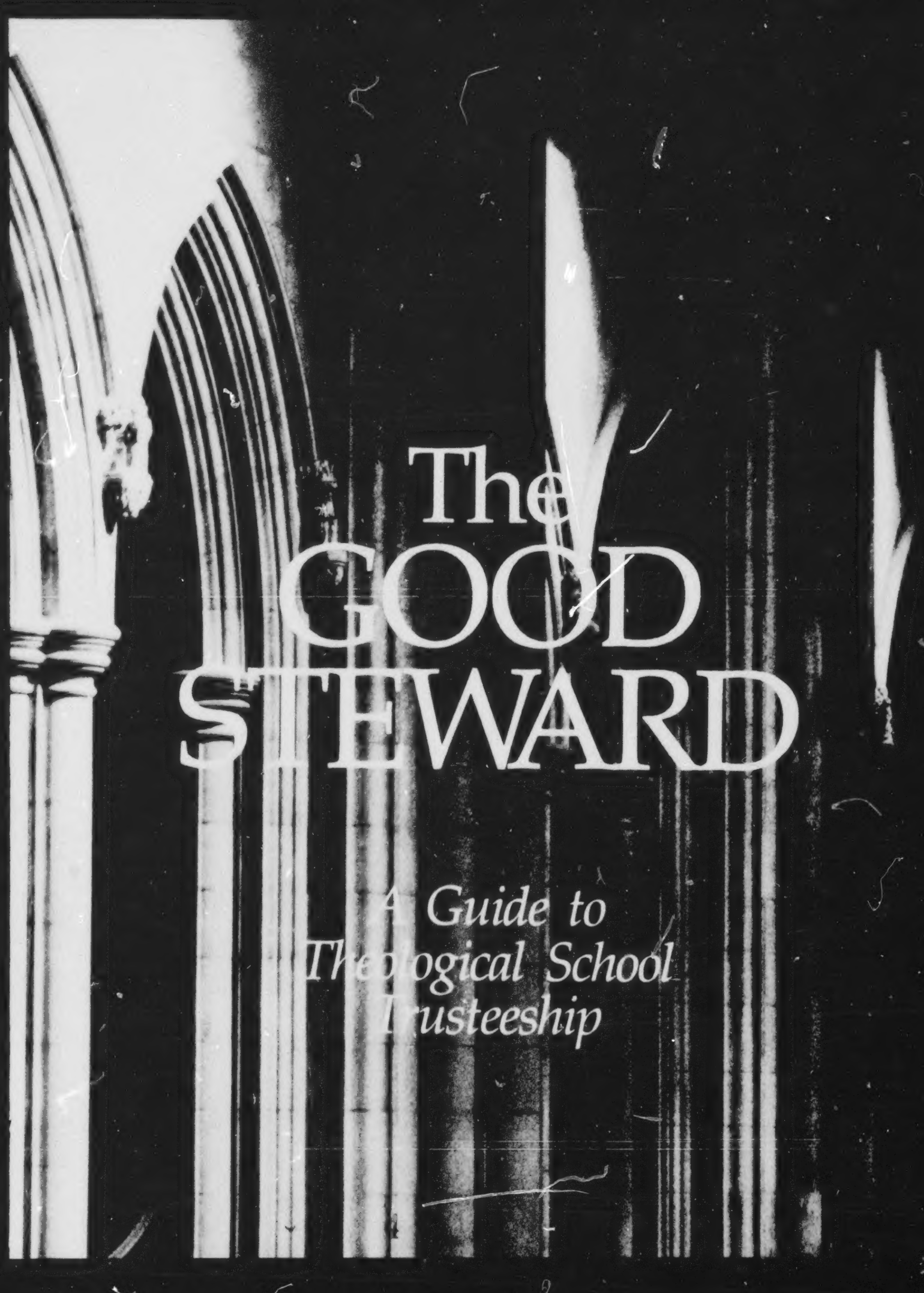

The GOOD STEWARD

A Guide to Theological School Trusteeship

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FOREWORD

Everything in this universe
is linked to everything else.

John Muir

The contributors to this book share the conviction that the 5,000 trustees of theological education are linked in substantial ways to the schools and seminaries they hold in trust for future generations. Some boards and trustees seem to be on the periphery of matters affecting the vitality of their institutions, but the future of theological education requires otherwise. Some observers have called the 1980s "the decade of the trustee." It is at the least a period witnessing the fulfillment of trustee responsibilities, a period for finding new and appropriate links between chief executive and trustee leadership. While holding a trusteeship continues to be an honor, it is far from honorary.

Uses of This New Resource

Among several possible uses of this book are its inclusion in: new trustee orientation programs, annual board retreats or workshops, and board and committee meetings. All of these provide opportunities to call selectively upon certain of the chapters to stimulate reflection on long-range issues, or to supplement study of issues currently before the board and the institution.

Used creatively, the material in this volume could help: (1) shorten the amount of time necessary for a new board member to become an effective contributor to the board's deliberations, (2) provide substance for annual or biannual board retreats by preassigning certain readings that fit their purposes, (3) add a useful dimension to board meetings by preassigning a chapter for an hour's discussion, (4) renew the sense of mission and purpose of certain board committees by allowing them time to reflect on the quality of their agendas and activities. For example, the members of the development or fund-raising committee might benefit from discussion of the chapters by Robert G. Bottoms and Norbert J. Hruby; the finance committee might devote meeting time to review Badgett Dillard's chapter, etc. The opportunities to use this book as a kind of curriculum guide, particularly by the chief executive, board, and committee chairpersons, are nearly endless.

The reader will find many new and provocative ideas in these pages. For example, although there seems to be a trend toward clarifying expectations for active trustee participation in fund raising efforts with private, nonchurch sources, Mr. Greenleaf in chapter twelve suggests that money raising may be primarily an administrative rather than a board concern. He also suggests that the board might retain its own consultant "to watch over how (trustees) use their time and how meeting agendas are fashioned." The theological school administrator and trustee will undoubtedly find points of agreement and disagreement with the author's viewpoints—viewpoints not necessarily shared by the Association of Governing Boards or the Lilly Endowment, Inc.

The sample bylaws and self-study criteria in Appendices A, B, and C also offer opportunities to conduct useful self studies of the board's role, membership, organization, and performance. (Both of these materials are available in booklet form and can be obtained by writing AGB.) Appendix D by Kent Weeks reminds us of the importance of avoiding legal problems by applying the principles of preventive law.

The Theological School Trustee Leadership Program

The publication of this resource for the trustees and chief executives of theological schools in the United States and Canada marks the culmination of a 30-month program sponsored by the Lilly Endowment, Inc. This program, conducted by the Association of Governing Boards of Universities and Colleges (AGB), included the development of performance standards for governing boards to assist them with periodic self-studies, sample board bylaws, and a Board-Mentor Service that provides, in retreat situations, access to persons knowledgeable about the distinctiveness of theological education governance.

The program included three meetings in 1982 at which 203 trustees and chief executives came together from 92 theological schools in the United States and Canada to explore the issues addressed in this book. The response to these workshops—in attendance, quality of participation, and enthusiasm—underscored the growing sense of importance placed on trustee development within theological education.

Acknowledgements

As director of the 30-month program that ended in December, 1982, I want to acknowledge the very helpful and constructive role played by the National Advisory Board, whose members volunteered to lend their invaluable experience and wisdom to the project. AGB president Robert L. Gale (who served as an ex-officio member of the Board) and AGB director of program development Gregory J. Nigosian join me in expressing our appreciation to these individual members:

Chairperson: Daniel T. Carroll, Union Theological Seminary; Vice Chairperson: F. Thomas Trotter, Board of Higher Education and Ministry, The United Methodist Church; William L. Baumgaertner, Seminary Department, National Catholic Educational Association; Edward J. Ciuba, Immaculate Conception Seminary; Frank Egloff, Auburn Theological Seminary; Nettye Goddard, Pacific School of Religion; Warner Hall, The Presbyterian Foundation, Inc.; David A. Hubbard, Fuller Theological Seminary; C. Douglas Jay, Emmanuel College; George W. Jones, Southwestern Baptist Theological Seminary; Shirley M. Jones, Christian Higher Education Ministries, American Baptist Church; Mary Bigelow McMillan, United Theological Seminary of the Twin Cities; Donna Van Wynsberghe, St. Francis Seminary; C. Davis Weyerhaueser, Fuller Theological Seminary; Ex Officio: Ann Ida Gannon, Association of Governing Boards, and Leon Pacala, Association of Theological Schools in the U.S. and Canada. David M. Thompson of Thompson and Pendel Associates served as consultant.

Special appreciation goes to our chairman, Daniel T. Carroll, for his splendid guidance, diligence, and inspiration. Dan exemplified the best in lay trusteeship through his insightful, challenging, good-humored, and always supportive judgment. To Father William L. Baumgaertner, friend and colleague, I add my gratitude for being among those individuals fortunate enough to have had access to his advice over the years.

To Robert Wood Lynn and Fred L. Hofheinz of the Lilly Endowment, Inc., whose shared conviction about the importance of trusteeship to the future of theological education made this book possible, we extend our sincere thanks for their confidence and trust.

And finally, to Joseph C. Gies, friend and colleague for seven years as editor of AGB's publications, my thanks for his practiced editorial hand.

Richard T. Ingram
Director, Theological School
Trustee Leadership Program
April, 1983

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About AGB

The Association of Governing Boards of Universities and Colleges (AGB) is a nonprofit educational organization of governing, coordinating, and advisory boards of postsecondary education. AGB exists to help its members fulfill their roles and meet their responsibilities. AGB, among its many functions, emphasizes the elements of good working relationships between administrators and trustees, provides the background information needed by boards to deal with the many critical issues before them, and helps boards function with an awareness of the increasing interdependence of all types of colleges and universities. Founded in 1921, AGB established offices in Washington, D.C., in 1964.

For more information about AGB, including a publications brochure, write to AGB, One Dupont Circle, Suite 400, Washington, D.C. 20036.

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PREFACE

When the Association of Governing Boards of Universities and Colleges (AGB) undertook the Theological School Trustee Leadership Program in 1981 under the direction of executive vice president Richard T. Ingram and with the strong moral and financial support of the Lilly Endowment, Inc., it at once recognized that a major goal should be the creation of a handbook or guide that would provide basic practical advice to trustees of theological schools.

As the national organization of trustees, regents, and presidents of all categories of higher education institutions, AGB was able to provide a breadth of experience in the problems of governing boards generally; but, aware of the need for specific expertise in the special problems of seminary governance, it sought to enlist the participation of outstanding leaders of Protestant and Catholic theological education. In this it was highly successful, thanks in large measure to the exceptional group of men and women who voluntarily comprised the National Advisory Board of the program. (Their names are listed in the Foreword.) The publications committee of the Board was most fortunate in having as its chairperson Monsignor William L. Baumgaertner, executive director, Seminary Department, of the National Catholic Educational Association. Father Baumgaertner brought an intimate knowledge of seminary problems as well as a sharp editorial mind to our task, and the book profited immensely.

We enjoyed the assistance of many chief executives and trustee reviewers, for whose constructive suggestions and recommendations Father Baumgaertner and I are most grateful. The members of the National Advisory Board and especially the members of the publications committee also contributed numerous valuable recommendations and constructive ideas, which did much to shape the book.

In the end, and inevitably, the book belongs to the authors, the individual contributors chosen for their special qualifications in particular aspects of theological school trusteeship. By an attractive Biblical coincidence, they number twelve. May the care and commitment they brought to their individual tasks have, in combination, an apostolic virtue for the future of theological education.

Joseph C. Gies
Editor

Contributors

Msgr. William L. Baumgaertner is executive director, Seminary Department, National Catholic Educational Association. He is a former professor of philosophy, academic dean and rector/president of St. Paul Seminary, and former vice president of the Association of Theological Schools in the U.S. He served on the National Task Force of the CARA/Lilly Study on Financing of Catholic Theological Seminaries and on the National Advisory Board of the Theological School Trustee Leadership Program.

Robert G. Bottoms is executive vice president of DePauw University. He has served as assistant dean of divinity schools at Vanderbilt and as chaplain of Birmingham-Southern College. Dr. Bottoms authored "The Role of Trustees in Seminary Development," a chapter in *The Handbook of College and University Trusteeship*.

Badgett Dillard is executive vice president of The Southern Baptist Theological Seminary in Louisville, Kentucky. He has held several staff and committee positions at various southern churches, as well as serving on the board of trustees of four schools. Dr. Dillard has served as treasurer and a member of the executive committee of the Association of Theological Schools in the U.S. and Canada and authored many articles on theological education and related subjects.

Larry L. Greenfield is president of Colgate-Rochester Divinity School/Bexley Hall/Crozier Theological Seminary. Ordained at the First Baptist Church of Chicago, he served as dean of students and assistant professor of theology at the University of Chicago Divinity School. He has authored articles on theological education and was co-editor of *Criterion* magazine.

Robert K. Greenleaf has devoted much of his time to the study of trusteeship since retiring from a major corporate executive post. He is the author, *inter alia*, of *The Trustee as Servant* and *The Seminary as an Institution: the Work of the Trustee*.

Norbert J. Hruby is president of Aquinas College in Michigan. He earlier served as director of public information at Loyola University of Chicago, was award-winning director of radio and TV at the University of Chicago, and was vice president of Mundelein College in Illinois. Hruby is the author of *Survival Kit for Invisible Colleges*.

Dayton D. Hultgren is president of San Francisco Theological Seminary. He was previously president of United Theological Seminary of the Twin Cities in Minnesota. A Presbyterian minister, Dr. Hultgren is chairperson of the advisory committee on Theological Education Management at the Association of Theological Schools.

Robert Wood Lynn is vice president, religious division, of the Lilly Endowment, Inc. Ordained in the Presbyterian Church, Dr. Lynn served in the ministry for several years and as a faculty member at Union Theological Seminary from 1959 to 1975. He is the author of *Protestant Strategies in Education* and co-author of *The Big Little School*. He has written many articles in the area of religious education.

Mary Bigelow McMillan is a trustee of United Theological Seminary and a member of the House of Hope Presbyterian Church of St. Paul. In 1982-83 she served as interim president of United Theological. She is a member of the National Advisory Board of the Theological School Trustee Leadership Program.

Henry W. Sherrill is the founder and chairman of the Cheswick Center in Boston. He is also president of the Good Samaritan Foundation (Delaware); chairman of the board, the Slingerland Institute (Washington state); and a trustee of the Center for Effective Philanthropy (Massachusetts). He has taught, consulted, and assembled research and education projects in governance for many organizations.

John H. Tietjen is president of Christ Seminary Seminex in St. Louis. He has served as president of Concordia Seminary, also in St. Louis; and as executive secretary, division of public relations, Lutheran Council, U.S.A. He is the author of *Which Way to Lutheran Unity?*, many articles and book chapters, and has held the posts of managing editor and editor of *American Lutheran*.

F. Thomas Trotter is general secretary of the Board of Higher Education and Ministry, United Methodist Church, and a former faculty member and dean at Southern California School of Theology in Claremont. He is the author of *Jesus and the Historian* and editor-at-large of *Christian Century*. He also served on the National Advisory Board of the Theological School Trustee Leadership Program.

Jesse H. Ziegler is professor of medicine and society at Wright State University in Ohio. He was formerly executive director of the Association of Theological Schools in the U.S. and Canada. Ordained in the Church of the Brethren in 1931, he served as a pastor for several years before joining the faculty of Bethany Theological Seminary in Chicago. For many years Dr. Ziegler edited the quarterly *Theological Education*.

CHAPTER ONE

Robert Wood Lynn

THE RESPONSIBILITIES OF STEWARDSHIP

This book represents an historic "first." There is nothing quite like it in the literature of American theological education. Of the thousands of volumes written about theological schools, there are only a few that even treat the work of the seminary trustee in a cursory fashion. Robert Greenleaf's recent essays constitute a happy exception to this strange and striking pattern of neglect. But the Greenleaf pieces, however provocative and illuminating, were never intended to be a full introduction to the art of trusteeship in theological schools. That long-overdue book is now before you. And it arrives on the scene at the right moment.

Over the last two decades a complex array of historical forces has pushed theological educators toward a belated discovery of trusteeship. First, the impact of the Vatican II Council plus the protest movements and student unrest of the Vietnam era coalesced to encourage seminaries to reexamine their forms of governance. Autocracy of any kind was suspect. While some of the experiments inspired by those turbulent days have quietly faded away, the heritage of the 1960s is still evident in a new awareness of boards, their powers, and importance.

Second, the events of that same decade precipitated a major debate about the nature of the public a theological school should serve. At the outset of the 1960s, most seminaries were still basking in the religious prosperity and theological stability of the Eisenhower years. Both Protestant and Catholic educators were relatively untroubled by any concern over the identity of their constituency. Then came a rapid-fire series of controversies—and some new questions about old certitudes. For instance, the Vatican II brand of ecumenism and the growing influence of the World Council of Churches studies inspired a lively interest in the ministry of the laity. That development implied all sorts of unsettling possibilities for seminaries. To wit: Is the notion of a "clergy preserve" justifiable any longer? Why not introduce or include more lay people in the student body? Can a board be a board without a significant lay presence?

In a similar fashion the civil rights movement jarred schools into recognizing the racial and ethnic diversity of their present publics, or those publics to whom they should be responding. Later feminists also raised a host of disquieting questions about the failures of seminaries to discern the needs of all of their constituencies. Meanwhile, some church leaders and theological educators forcibly reminded the schools of yet another neglected portion of their constituency, the local congregations. The schools, so these critics claimed, had become remote graduate schools of religion instead of institutions offering practical training to the next generation of parish-bound priests and ministers. In due course the power of these diverse criticisms was sufficiently strong to create a fresh appreciation of the importance of boards.

Are the trustees fully attentive to the aspirations of all their constituencies? Do the boards reflect the true diversity of the public they presumably represent? Who should be a trustee? Is it possible for a trustee who serves on a board as an appointed representative of one sector of the public—whether representing a church judicatory, the faculty, the students, or an ethnic group—to be responsible to the requirements of the seminary's public as a whole? Those questions remain still very much alive in the 1980s.

Third, the 1970s brought another kind of crisis. In the last 10 years the specter of inflation and changing economic conditions have pressed theological educators to do *more* with *less* resources. Many seminaries have expanded their educational offerings to include D.Min. and lay education programs, even as they trimmed the faculty rolls. The tensions resulting from this whipsaw maneuver ramified throughout the academic communities. Almost inevitably, trustee boards were drawn into closer touch with the affairs of their school than had usually been the case in earlier and more placid times. The results of these close encounters have differed dramatically:

While some schools have emerged stronger and healthier, others have continued to limp from crisis to crisis.

The range of variation in these responses tells an important story. In this recent season of adversity—as in other critical moments in the sweep of American theological education—the presence of a gifted, caring board of trustees makes a critical difference.

Of course, no one knows how long the current time of testing will last. If it does stretch well into the late 1980s and 1990s, as some of our ablest analysts have asserted, there will be all the more reason for theological educators to study this volume carefully. But whatever the future brings, the contributors to this book have something to say to anyone seriously interested in the educational and theological integrity of American seminaries.

These writers speak out of varied experiences and perspectives. For all their differences, they are united in a concern to illumine the possibilities of trusteeship in the days ahead. That common intent is grounded in two affirmations, both of which are described in Larry L. Greenfield's chapter, "Trusteeship and Administration:" (1) The deepest meaning of trusteeship is religious. All "human beings are *entrusted* with a responsibility to care for the gifts God has given." In that sense we are all the "*trustees* of God's creation." (2) Those who accept the specific responsibilities of a trustee of a particular institution are, in fact, called to ministry. The larger significance of trusteeship cannot be understood apart from the rich overtones of such enduring notions as "ministry" and "vocation." Though not always explicitly stated in every essay, these convictions make sense of all that is written in this volume.

When considered as a whole, the following chapters add up to a composite portrait of the responsible board of seminary trustees in action. Let us now take a quick look at how these contributors describe the responses of faithful trustees to the assorted challenges that await them.

Selecting the Chief Executive

One of the cherished and most often repeated sayings about trusteeship is that "the important business of a board is to hire and fire the president." Like other bits of folk wisdom, this statement contains a partial truth. The way in which a board chooses the school's chief executive usually provides a revealing insight into the group's distinctive approach to *all* its important business. In chapter 2, Larry L. Greenfield shows how this task calls upon the deepest reserves of the board's faith, theological depth, and intelligence. The presence—or absence—of these gifts will eventually be evident in the manner in which the selection committee is formed, in the clarity and reach of the school's mission statement, and in the realism of the search process. Here, as perhaps nowhere else in its common life, the board discloses its true character.

Helping the CEO Lead Effectively

Once selected, the new dean or president can rightfully look to the trustees for sustaining help of all kinds. What other group, for example, has more reason to care about the executive's personal development, professional growth, and health? And yet, as Dr. Greenfield points out in his essay, the CEO has not been placed in office just as "an object of support and development but as the *agent* or *instrument* by means of which the primary work of the school is supported and developed." If that focus is kept in mind, the board will provide regular and systematic assessments of the executive's work. Without some sort of periodic review according to declared criteria, both the board and its executive can unwittingly drift into trouble.

An imaginative board will be alert for other ways by which it can nurture the work of its chief executive. Its success in exercising this caring ministry depends in large part on the answers to two questions: (1) How close a working arrangement exists between the CEO and the head of the board? If these two enjoy a genuine partnership—along the line described in Henry Sherrill's essay, "Organization of the Board"—the trustees are more apt to be informed and sensitive about the needs of the dean or president. Whatever happens in that pivotal relationship will affect all other relations within the board and between the board and the administration. (2) Are the trustees prepared for their own responsibilities? Do they count their own education as a high priority? In order for a board to be imaginative in its support of its CEO, it must also attend to its own development.

Building a Board

This test may be one of the most difficult facing any seminary board. The other tasks—"managing the assets," for instance—are usually more obvious and compelling since they sometimes intrude upon the trustees' consciousness in the form of a crisis. All too frequently the time set aside for the board's regular study session or the trustee orientation program is preempted by the pressure for a decision on the newest emergency. Thus the work of disciplined board-building seems indefinitely postponable.

Yet, significantly enough, the few schools where the trustees appear to be equipped to deal with the usual diet of crises are also those institutions whose leaders have put time and thought into a sustained program of board development over an extended period. At least that is my impression from six years of visiting with various seminary boards across the United States. If this estimate is even partly correct, it confirms the singular importance of trustee education.

This theme figures prominently in the following chapters. To illustrate, consider Henry Sherrill's sketch (chapter 3) of a well-ordered board: (1) The board, individually and collectively, is *informed;* (2) the chair and the executive are working *partners;* (3) the agenda is long-range and board *determined;* (4) size and composition are *appropriate* to the governance task; (5) committee structure is *chartered* and *organized* for results; (6) meetings are *interesting* and effective; (7) progress is *measurable*.

Now, if a board aspires to these marks of distinction, it must commit itself, first of all, to a constant regime of self-education. The Sherrill essay includes some suggestions about the helpfulness of board seminars and retreat meetings, as well as the creation of a committee of board affairs. In chapter 4, "Selection, Recruitment, Development, and Assessment of Trustees," Dayton D. Hultgren and Mary Bigelow McMillan depict the way in which a commitment to trustee education can shape a board's approach to the selection, recruitment, and continuing assessment of individual trustees. Likewise, Jesse Ziegler's reflections on "Trustee Conduct" (chapter 5) point to the clear need of each board to help its members understand and live out their high calling. Another valuable resource for board building is the AGB document, "Self-Study Criteria for Governing Boards of Theological Schools," which is to be found in the appendices. In short, this volume offers both a persuasive argument for the importance of trustee edu-

and practical hints about steps to take in the right direction.

Clarifying Mission

In recent years I have enjoyed the privilege of being a kibitzer at occasional gatherings of seminary trustees. One of the staple items of these conversations is a common concern about the provincialism of faculty members. While stated in various ways, the heart of their worry is expressed in that 18th-century adage: "Too much light often blinds gentlemen of this sort. They cannot see the forest for the trees." Obviously this peculiar form of blindness can afflict any group. If it hits a board, it is doubly damaging since the trustees, above all others in the theological school, must maintain an uncluttered vision of the *central* purposes of the school. Otherwise the institution will eventually wander into confusion. The history of the last 100 years of American theological education is littered with the wreckages of institutions whose trustees failed the test of the forest and the trees.

That imperative has become all the more difficult to fulfill in the last two decades. Earlier I noted the manner in which many schools have stretched their resources to fit the needs of an increasingly diverse student body—laity as well as clergy, continuing education programs in addition to the basic Master of Divinity offerings. Consequently, some schools appear to be jerry-built educational structures with add-on programs jutting out in different directions. Does this expansion portend a movement toward "functional sprawl," a condition in which no one asks questions so long as there is continued growth? Will a weakening economy and a smaller pool of available students of traditional post-college age tempt schools to be even more desperate in their search for money and bodies? These worrisome tendencies make it most important for trustees to reexamine continuously their institution's own purpose in the light of its distinctive tradition and in view of the unavoidable claims of church and society upon that seminary.

One means of defining a school's core functions is to create a carefully crafted mission statement. Two contributors in particular—John H. Tietjen in "Planning: Mission, Goals, Programs" (chapter 6) and Robert G. Bottoms in "The Role of the Seminary Board in Fund Raising" (chapter 7)—highlight the indispensability of this kind of a declaration. Such a statement can, of course, amount to little more than a series of self-congratulatory claims. It is easy, as Richard Chait observed a few years ago in a sprightly critique of "Mission Madness," to settle for "vague and vapid goals" instead of holding out for "precise aims that force choices and provoke serious disagreements." Dr. Chait asked, "Who cannot rally around 'the pursuit of excellence' or 'the discovery and transmission of knowledge'?" He scored a telling point.

Occasionally the references to "academic excellence," a "learned ministry," and "quality professional education" are employed to cloak a deeper confusion about the work of that institution. Yet the struggle to write a mission statement need not end in banality. A lively group of trustees can take advantage of this occasion to ask some hard questions about the past and present actions of the seminary. By way of illustration: What are the strengths and limits of the theological and educational traditions that have carried the school to this moment? Are there new conditions that will deflect the path of that trajectory in the immediate future? Which portions of the school's traditions are worth preserving and renewing? And what novel demands are now being placed upon the institution? How will the school order its responses to these challenges in the light of the available educational and fiscal resources?

As a board dips into this stratum of questions, it will unearth far more pertinent queries to pose about the school's mission. The deeper the question, the better the board. "The trustee is," in the words of Robert Greenleaf, "the asker, not the answerer of questions. *Whom and what purpose should this seminary serve?*" If a board is doing its work, it will eventually get to that root question—and not rest until the administration and faculty come forth with a truthful and theologically compelling statement of mission.

Ensuring Institutional Planning

Another path for trustees through the trees is found by laying out an effective process of seminary-wide planning. (For a description of that process, see John Tietjen's chapter 6.) Nowadays there is so much fashionable talk in American higher education about planning that our emphasis on this motif may seem to be a ponderous exercise in stating the obvious. So, you might ask, what else is new?

Unfortunately, this will still be news to a fair number of theological seminaries. To be sure, these institutions may claim that they have already produced a comprehensive plan for the school's future. But upon closer inspection that document often turns out to be an aging monument to yesteryear's enthusiasms, or a plaything of the president and/or a small committee, or else a sentimental wish list for a "better tomorrow." These gestures are no substitute for what is needed—an up-to-date, continuously revised plan prepared by the administration and confirmed by the trustees in anticipation of the likely problems that await the school in the near future. Some of our seminaries are just beginning to measure up to these standards.

As relative newcomers to the task of planning, these institutions should be wary of the overly elaborate techniques that abound in this field. Perhaps a few basic questions can provide a board with a useful point of departure. Once again, the well-placed query may be the trustee's best contribution. The following examples illustrate some possibilities for an inquiring board: In a period of apparently declining fiscal resources, how will this school be faithful to its core purposes? Which of the available strategies are consistent with the seminary's mission? Can we translate our convictions about the coming years into specific objectives? For the next five years? Ten years? Who will be the students in these periods? The faculty? Will there be any retirements during this stretch of time? What are the prospects for changes in curriculum and teaching styles?

These deceptively simple questions—and others like them—will lead a board straight into the complexities of planning. Make no mistake about the cost of venturing in that direction. The board's assignment as the critic and judge of the planning work of the administration thrusts it into an intricate, time-demanding role. Yet the rewards of this work far outweigh its burdens. When trustees fulfill these responsibilities, they make an invaluable contribution to the health of the school. And besides, they come to sense the whole of the institution—its past and present status as well as its intended future—in a way that would never have been possible apart from this rare privilege.

Caring for the Educational Program

In the midst of these diverse challenges, the trustee dare not lose sight of the reason for the existence of the seminary. It is first and last a school, albeit an educational institution of a most unusual kind. Over the last century the seminary has evolved into a citizen of two worlds. This hybrid creation belongs simultaneously to the separate spheres of the church and of American higher education. The tensions inherent in that kind of dual citizenship complicate—and yet enrich—life for trustees as well as faculty and students in the American seminary.

F. Thomas Trotter illumines these subtleties in chapter 8, "Trustees and Academic Affairs." His essay offers a finely nuanced portrait of a seminary that is at one and the same time an authentic school and a loyal servant of the church. Let us consider each of these modes.

Like other graduate institutions, this school can only be as good as the teaching, learning, and scholarly research that goes on there. "The academic quality of a seminary," Dr. Trotter stresses, "is its most important asset, and it needs to be understood, evaluated, guarded, and nurtured." Well said. That dictum should be emblazoned in the orientation manual for every new seminary board member in America. Those trustees who concur in this affirmation will be especially interested in Dr. Trotter's thoughts on such matters as tenure appointments, the necessity of supporting faculty research, the recruitment of promising students, the quality of the curriculum, and the library.

The same topics are of equal concern when one turns to the school's second mode of life. A seminary can only be faithful in its service to the church if there is genuine "academic quality" in its programs. When that ingredient is missing and the spirit of mediocrity prevails, the results are tragically clear in the stunted development of generations of church leaders. Similarly, the church has every reason to insist upon the best research a theological community of scholars can offer. In a land that seldom has been free from the curse of "know-nothing" religion and obscurantism, denominations depend, for better or worse, on the freedom of seminary faculties—and their competence to exercise that freedom—in the pursuit of scholarly work.

In other words, the struggle to improve the academic quality of theological education reaches far beyond the 200 or so theological schools in North America. The trustees of these institutions can play an important role in that effort. Are they prepared to meet the challenge? Will they be able to "understand," "evaluate," "guard," and "nurture" their school's "most important asset?"

Ensuring Financial Health

The surprising twists of recent history have made this challenge an ever-present reality to increasing numbers of theological educators. Not so long ago, many a school could rely primarily upon denominational subsidy and/or endowment income for fiscal sustenance. In seminary circles during the 1960s, one did not hear or read much about development strategy and the problems associated with managing assets. The limited time and energy available for fund raising were usually reserved for occasional capital fund drives. Only a handful of schools anticipated the shape of things to come by creating a full program in development.

Then the sudden inflationary eruption of the last decade swept American theological education into a new era. From that moment onward, nothing could be taken for granted. Since the mid-1970s, most deans and presidents have been scrambling hard to find ways of curbing their budgets and of unearthing sources of income. In this unremitting fight for fiscal stability, the chief executives need—and deserve—the informed support of the entire board of trustees.

Two of the following chapters will help trustees to participate in that constant struggle. In chapter 9 Badgett Dillard describes the rudiments of what every well-equipped board should know about "Financial and Physical Asset Management." Similarly, Robert G. Bottoms explores all facets of the trustee's part in the seminary's development program in chapter 7. These essays, when studied together, constitute a sobering reminder of the weight and sheer variety of trustee responsibilities. It is no simple task to be accountable for—among other things—the trustworthiness of the school's fiscal records and procedures, the final approval of its budget, the prudent management of its investments and physical resources, and the provision of needed funds. Any negligence in attending to these matters could eventually undermine even the finest work of a board in meeting the other challenges.

Interpreting the Seminary to Its Public

The seminary is difficult for outsiders—and sometimes even insiders—to comprehend. It is a far more intricate institution in its inner workings than its outward appearance would lead one to expect. According to the conventional canons of American higher education, the theological school should be a relatively simple organization since it is built on such a small scale in size of student body, budget, and campus. Most of the seminaries are modest in dimension even when compared with the smallest and most intimate liberal arts college. Yet, the fact of scale does not necessarily govern the measure of complexity.

Look, for a moment, at the diversity represented in the students alone at one somewhat typical seminary. In this average-size denominational school are several hundred persons engaged in four degree programs and special noncredit courses. These students range widely in age (20 to 78), experience (from fresh college graduates to retired pastors), faith (from inquiring seekers to devout believers), denomination (take your pick), and ordained status. Even this thumbnail sketch of the student body does not begin to suggest the blooming variety of services this little institution offers as it reaches out across its region with all manner of new educational ventures.

Here, in short, is a "many-splendored thing" that should be enjoyed and honored by its constituencies. Unfortunately, however, the unfolding story of this school remains a well-kept secret even in the larger urban area it serves so well. If I were a trustee of the seminary, I would wonder about ways of opening up the lines of communication between the school and its public. Norbert J. Hruby addresses such issues in chapter 11, "What Every Seminary Trustee Needs to Know About Public Relations." His essay is not so much a "how-to manual" as it is an invitation to think of public relations as one of the trustee's natural.

If a board has fallen into the habit of assuming that "PR" is not a topic to be mentioned in polite theological company, its members may be in for a surprise once they explore this issue. Their trail of inquiry could lead them to reflect on the mystery embedded in that commonplace word, "public". Who are our constituencies? With whom do we need to communicate? To whom are we accountable? The answers to these questions will not be easy to ferret out, since the fluid nature of a seminary's public is often as difficult to define as the changing character of the school itself.

For help in working through these problems, trustees should study William L. Baumgaertner's essay on "Authority and Accountability of Theological Schools." In chapter 10 he outlines the web of accountability that connects a seminary to a host of other institutions. While that pattern of responsibility will vary from place to place, it usually links the seminary to one or more denominations, accrediting agencies, sister institutions, and the state.

In coming to understand these ties between a school and other agencies, a board may begin to ask whether or not this web of accountability is strong or large enough to reach the institution's true public. Sooner or later that train of thought will lead trustees to rediscover the now familiar Greenleaf question—"Whom and for what purpose does this seminary serve?" The power of that question is unmistakable. It has pervaded my portraits of the eight challenges described thus far. But nowhere else is its presence more vividly felt than in the ninth—and greatest—test to confront a board.

Leading to a Vision of Service

For nearly 200 years of their history, American seminaries have never suffered from a lack of critics. Each generation has offered its full share of rebukes and calls to reform. For the last century or so, most of these "troublers of Israel" have known theological schools from the inside, either as former students or present faculty members. In the last few years, however, our most astute critic has been an outsider who has only recently turned his attention to theological education.

It is, therefore, appropriate that this perceptive stranger in our midst should have the last word in this volume. Robert Greenleaf's chapter, "Trustee Traditions and Expectations," provides a fitting climax to our presentation of the challenges confronting a seminary board.

His argument is simple and straightforward, sometimes disconcertingly so. A board is only as strong as its capacity to inspire the school to serve church and society in ever more imaginative and caring ways. No faithful trustee will be content to be "at ease in Zion," even if the budget is balanced, the endowment coffers are overflowing, the president is famous, and the faculty brilliant.

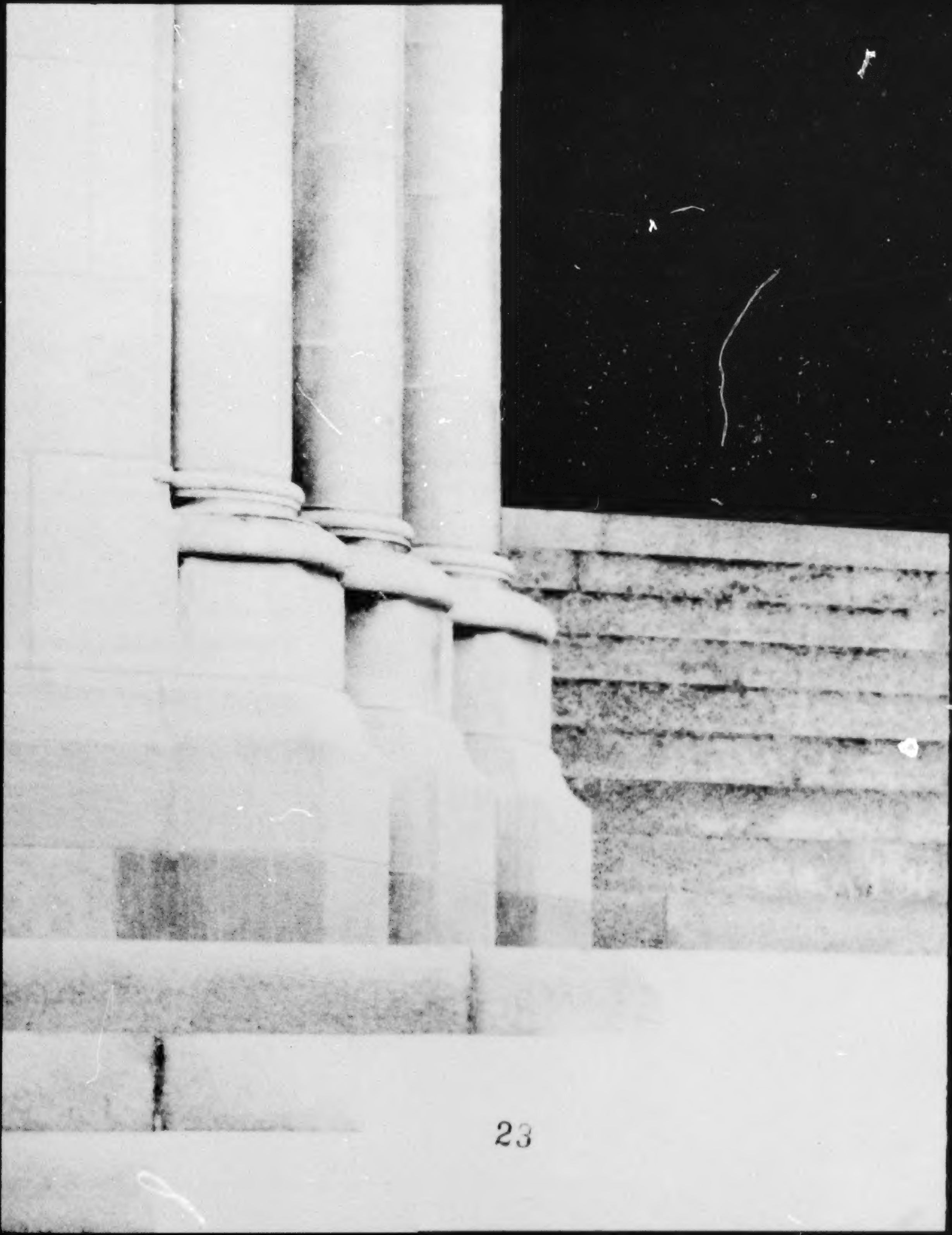
When the flush of pride in accomplishments is most keenly felt, the board's most important work is just beginning. Can that school be moved to accept an enlivening "vision of greatness" that will keep it working toward new forms of service? Mr. Greenleaf does not minimize the difficulty of that assignment. "Trustees, no matter how determined and how able, cannot lead a seminary, or any other institution, on the long march toward its ever-receding highest potential if administrators and staff cannot be brought to accept the inevitable discomfort."

That same sort of "inevitable discomfort" is evoked in many of us—whether trustees, executives, or faculty members—when we realize the full implications of his call to repentance and renewal. But if that pain can be endured, then seminary trustees may discover afresh the freedom to be faithful to God's calling in a neglected, crucial, and exciting form of ministry.

Suggested Further Reading

Robert K. Greenleaf, *Seminary as Servant: Essays on Trusteeship,* Peterborough: Center for Applied Studies 1981.

John Fletcher, *The Futures of Protestant Seminaries,* Washington, D.C.: The Alban Institute, 1982.



CHAPTER TWO

Larry L. Greenfield

TRUSTEESHIP AND ADMINISTRATION

Governance—trusteeship and administration—has Biblical roots in God's commandment to humankind to administer the world. A Biblical perspective corrects the view that trustees of a theological school take responsibility only for the "secular" dimension of the school and that they should exercise minimal administrative functions. Rather, trustees should be broadly involved and capable of assuming specific administrative tasks. Among their principal functions: selection of the chief executive officer, selection of trustees, participation in selection of other administrative officers; support and development of the CEO, of trustees, and of other administrative officers; and, finally, evaluation of all three.

God's *first* commandment—in distinction from the Great Commandment—to humankind was to administer. After creating the heavens and the earth, separating the light from darkness and the water from dry land, bringing forth vegetation and then living creatures and finally men and women, God for the first time uttered a commandment to those made in the divine image. As with the other living creatures God had made earlier on the sixth day, there was the expectation that men and women would be fruitful and multiply. But then came the distinctive commandment to humankind: Take dominion over the fish of the sea and over the birds of the air, and over every living thing that moves upon the earth.

Biblical Roots of Trusteeship and Administration

The *dominion* or *rule* of human beings over all moving things did not mean exploiting the creation for the gratification of men and women. That came with the advent of the Fall, and its Biblical name continues to be Sin—for which other divine provisions are made. In the first chapter of Genesis, *dominion* and *rule* have to do with human beings taking care of the good things God has created. The commandment to humankind is to administer, to manage, to serve. If gratification is the result, it is primarily God's enjoyment of an obedient humanity taking care of—administering—a good creation. With that provision, on the seventh day God could truly rest!

Biblical scholars will not allow this creation story to serve as an authorization for some human beings administering or managing the lives of other men and women. Administration, in the first chapter of Genesis, is a commandment given to all of humanity, and is to be directed toward the other—the earlier or, as some would have it, lower—parts of creation. It is with the occasion of the Fall that arrangements are made for a division of labor in which there is governance established for the fallen *human* community. But even then the purpose is not just to maintain order so that sin can be kept in check. Administration and governance continue toward the primary end that God will be gratified and glorified in the fulfillment of the creation. Before and after the Fall, that is, human beings are *entrusted* with a responsibility to care for the gifts God has given. Human beings, in one way or another, are the *trustees* of God's creation, whatever their condition.

In this Biblical and theological sense, trusteeship and administration are integrally intertwined. To "take care of" is to assume trust for something. To obey God's first commandment to be a trustee of the creation is self-consciously to accept the responsibility of administration.

Viewed from the Biblical witness, trusteeship and administration also operate with some specific and interrelated *theological* assumptions. Primary among these theological assumptions is the affirmation of God's sovereignty. However much or little we understand God has entrusted to us for administration, we are still the trustees of what belongs in the beginning and the middle and the end to God. Our "dominion" or "rule" derives from being made in the image and likeness of God, and our obedience to the divine command to administer and serve can be met only by being guided according to God's will and purpose for those large or small parts of the creation entrusted to us.

A corollary to the affirmation of God's sovereignty and a second theological assumption is the acknowledgement of the relativity of everything else. Negatively understood, this clearly means that no thing or no time in creation can provide the base upon which administrative decisions and actions of trusteeship can ultimately depend. But relativity also has its positive side in the Biblical tradition. Because God is the Creator of all, all parts of the creation and every moment of history have some relative value. For the trustee of God's creation, therefore, there is freedom to marshal the resources of creation and history in the service of administration, so long as God's will and purpose are decisive. One practical implication of this second theological assumption is the recognition that there is no fixed administrative structure or set of responsibilities that will apply in every case or time, but rather the imperative to develop administrative structures and responsibilities in light of changing (relative) circumstances and according to God's ongoing (absolute) purpose.

A third but nonetheless crucial theological assumption is that human beings—trustees—can know and act on the basis of God's will and purpose. Specific doctrines of revelation (knowing the truth) and salvation (the capacity to act in light of the truth) will vary, but these understandings *must* be present if we are to administer and serve according to God's purpose. To deny their necessity is to undermine the very possibility of meaningful trusteeship and administration. The Biblical understanding of the trustee assumes and makes provision for a human being, whether in the state of sin or grace, knowing what God intends for the world and having the means by which to act according to the divine intention.

The Scripture itself has proven to be an immensely rich resource for inspiring a great many positions on revelation and salvation and has also served to authorize appeals to nonscriptural sources—such as nature, human reason, and experience—for developing the doctrines of revelation and salvation still further. It is by means of these diverse understandings of revelation and salvation, whether they be rooted in Scripture or not, that human communities and institutions are formed and sustained, most specifically religious communities and such institutions as theological seminaries. Indeed, when combined with an account of their cultural and temporal settings, the specific identities of communities and institutions should be evident from their explicit or assumed positions on these doctrines.

It is within these understandings of revelation (knowing God's will) and salvation (being able to do God's will) that the responsibilities of trusteeship and administration of particular communities and institutions can be determined at any relative time or circumstance in the service of a sovereign God.

If Jews and Christians understand that the Scriptures are a means of knowing God's will, as well as knowing the divine provisions for salvation, both Jews and Christians will see administration and trusteeship to be a way of being obedient to God. Trusteeship and administration—as these are joined together in the biblical perspective—will be seen as central to the divine plan. To accept specific responsibilities as a trustee of a particular community or institution, in this Scriptural sense, will be seen as a matter of *religious vocation*. It is to accept God's call to *ministry*: to serve, to care for, to administer some particular and valued part of what God has given. Trusteeship as administration is divinely authorized ministry.

Implications of a Scriptural Understanding of Today's Trustee

These reflections on the Biblical and theological understanding of trusteeship and administration are applicable not just to religious communities and theological seminaries. If I have accurately interpreted the Scriptural witness of Judaism and Christianity, the combined understanding of trustee and administrator would be as relevant for secular communities and institutions as for those we normally define as religious. At the very least it would be relevant for the Jew or Christian who accepts the call to be a trustee of any institution, whether it be religious or secular.

There is, however, a compelling need to recover and emphasize the relevance of a Biblical perspective with reference to religious communities and particularly theological schools. Recognizing that the functions of trustees in theological schools will change over time according to differing circumstances, a Biblical understanding of seminary trusteeship can be helpful for two different reasons today.

First, a Biblical perspective can correct the view, too often held, that the trustee takes responsibility only for the "secular" or "profane" dimensions of a theological school. This erroneous understanding assigns the trustee an administrative role, to be sure, but it is a restrictive role that, by definition, denies the trustee the possibility of assuming *trust* for the institution *as a whole.* In an educational institution especially, there must be a division of labor with genuine authority granted to respective parts of the community. Faculty, for example, because they are chosen in light of their expertise and other qualifications, must be allowed to have significant control of the curriculum. But unless a trustee is kept aware of the educational program of the school and, according to stipulated procedures that protect the rights of faculty and the integrity of the program, has a part in the maintenance and development of the program, he or she cannot serve the institution effectively. To make the trustee *only* an arm of the development office or the business office—as important as work in these areas may be—is both to violate the full meaning of trusteeship in terms of caring for that which has been entrusted, and to lessen the effectiveness of the trustee in those areas in which he or she assumes special responsibilities

This is a more pressing matter for theological schools today than in other educational institutions, because there is perceived to be a widening gap between what the seminary understands its mission and work to be and what its constituencies expect of the seminary. Seminary trustees will need to play a larger role in bridging that gap, and this can only happen if trustees know about and are involved in the broader life of the school.

A second reason to be attentive to the Biblical witness today moves in a different direction. A corrective needs to be applied to the view that any administrative dimension of trusteeship should be kept to a minimum. No chief executive wants or needs an administrative meddler for a trustee. But the trustee can be a valued ally in administration, as this applies to a variety of fields and issues in which the chief executive and other salaried officers have limited expertise or can devote only limited attention.

The problem may not be as relevant for institutions that can support a large staff of administrators. But even for larger schools there are certain administrative dimensions to which ceaseless attention must be given, and a limit to how many different functions can be compressed into the job description of any one administrator. There is always the temptation to ask faculty to assume some administrative roles, but this means drawing resources away from the central mission of the institution. A price will be paid for meeting administrative requirements, whether in dollars, in efficiency, or in instruction and research.

The problem of allocating limited financial and personnel resources for administration is made more intense by the increasing number of administrative issues in higher education, including theological education. There is an increasing use of litigation to resolve disputes, an increasing competition for a constant if not decreasing pool of philanthropic dollars, greater need to repair aging buildings and to conserve energy, expanded demands for programs and for the use of facilities by constituencies and outside groups, and greater need for long-range projections and planning along with more demands on day-to-day operations.

The theological seminary shares the problem of meeting these expanding administrative issues and, in addition, has its own set. As students increasingly choose to attend a seminary on the basis of convenience rather than denominational affiliation, theological orientation, or educational design, the theological school becomes related to a greater number of church organizations. As denominations increasingly set specific curricular standards that must be met by students hoping to be ordained, the academic administration of a theological school becomes increasingly complex. As the median age of the theological student rises, facilities for housing on campuses grow outdated. As the number of women training for ministry increases, there are not only curricular issues to be addressed, but also administrative dimensions that involve facilities, community life, scheduling, interpretation to constituencies, and placement.

Intensifying the difficulty is the fact that theological schools continue to be among the smallest of educational institutions, least able to address easily an expanding administrative agenda without diverting resources from the primary purposes of the institution. In the face of this unattractive and self-defeating alternative, the question must be asked whether another part of the seminary community, namely those who are *entrusted* with the care of the institution, can assume some specific administrative tasks under the direction of the chief executive and in coordination with appointed administrators. Can trustees recover a Biblical understanding of trusteeship by taking responsibility for the care of the institution as a whole *and* by sharing in particular administrative duties?

If this twofold role for trusteeship is valid for theological schools today, specific implications follow for the trustee as administrator within a Biblical perspective. The seminary trustee must be prepared to serve as an administrator in at least three central dimensions of the school's life: *selection, support and development*, and *evaluation*.

Administration as Selection

At the heart of the Biblical witness is the notion that a sovereign God calls specific human beings to fulfill particular responsibilities of administering the creation according to God's will and purpose. As creatures made in the divine image and in keeping with their own divine call as trustees of parts of the creation, men and women also call—they select—others to join in the administration of what God has entrusted to them.

A board of trustees exercises one of its major administrative responsibilities any time it engages in selection. Whenever the selection of someone who is to assume care for an institution occurs, the board takes responsibility for a school's identity, its purpose, and its work.

CEO selection: In the selection of a chief executive officer, a board is not only delegating some of its own responsibilities to one person, it is also entrusting to that person the responsibility of caring for—administering—the purposes and work of others related to the school. The selection is a decision that relates decisively to the total institution.

For most institutions in most cases, if that decision is made correctly it will not need to be made often. But precisely because such a decision should not be made often, a school usually is without a regularized procedure to which reference can be made for specific guidance. Even if guidelines are available, they are unlikely to be fully relevant to current and projected needs and goals. Selecting a chief executive officer, therefore, needs to be treated as a "special case" for trustees any time it occurs, and one deserving of special consideration and provision.

There is a body of literature available that can serve as a general guide. John W. Nason's *Presidential Search: A Guide to the Process of Selecting and Appointing College and University Presidents,* provides a particularly helpful resource. The staffs of national educational organizations can supply updated information on this literature and recommendations on persons who might be consulted. For the most part, however, the materials and experts available apply to presidential searches in colleges and universities, and thus require translation for use in a theological seminary. Even the resources that relate to theological education generally must be tailored to the particular circumstances, relationships, and purposes of a given theological school.

A board of trustees that does not make use of the accumulated wisdom and experience of other parts of the educational community—including those in its own geographical area—will be depriving itself of needed insights and will probably be expending time that could be better used in the selection process itself. But these more general tools and counsel cannot be a substitute for the careful and time-consuming work that is required to select the right chief administrator of a distinct theological school at a particular stage and context of its history.

Given the importance of the decision to be made and its status as a "special case," the allocation of the school's own resources for the search process must be given priority. This involves not only the appointment of persons to the selection committee, with their assurance to devote significant time and energy to the process, but also the commitment of the school's funds and staff—both professional and clerical.

In the appointment of a selection committee, something approaching what is expected of trustees in their twofold role should apply to every member: a commitment to and knowledge of the institution as a whole, and a capacity to bring distinctive insights and concerns to the process. Acknowledging that the various representatives of constituencies—especially those internal to the school such as faculty and students—will best be chosen by those bodies themselves, the selection committee will be most effectively served if its members share a common commitment to the whole while appreciating the legitimate concerns of the parts. That dual expectation needs to be shared with the bodies choosing representatives to the selection committee.

Recognizing that the selection of a chief executive officer rests finally with the board of trustees—that the selection committee is, in a strict sense, an *ad hoc* committee of the board—the appointment of trustees to serve on the selection committee needs also to reflect the significant components of the board's make-up, whether that be in terms of diverse functions, represented constituencies, or perspectives on the school's purpose and work. This will insure that such diverse concerns are not only brought to bear in the selection process but also will be incorporated into the recommendations and advocacy of a candidate for appointment to the full board.

If the board determines there are particular skills that clearly must be held by the chief executive officer to be appointed, it will find that trustees with expertise in those areas may serve usefully on a search committee, or be used for counsel in developing criteria and evaluating candidates. Finally, the trustee chairperson of the selection committee should represent the majority opinion and whatever consensus there is on a board about the school's purpose and needs, while also having the ability to encourage the contributions of other representatives on the search committee.

The best counsel, the adequate allocation of funds, time, and staff, and the careful selection of membership—these are only the necessary conditions for a successful selection process of a chief executive officer of a theological school. With those necessary conditions, the selection committee can proceed to develop and implement a plan that will match a school with its future leadership.

The "plan" of the selection committee will need to account for the distinct role and purpose of *theological* education of a particular institution that has its own history and tradition, a set of resources already in place, a collection of needs and issues, as well as goals and opportunities. If the board of trustees and the outgoing chief executive have served well, the selection committee will have the benefit of a well-defined mission statement along with goals, objectives, and a design for implementation that can be evaluated and adjusted as a central part of the selection of new leadership. If a mission statement is not available or is no longer applicable, the selection committee will be required to develop an equivalent in order to accomplish its work successfully.

At its broadest level, a mission statement of a theological school should reflect, either explicitly or by implication, the school's theological orientation, with its understandings of revelation and salvation being the most revealing. Appreciation of the school's theological orientation will be important not only in seeking appropriate candidates for consideration, it will also help the selection committee assess the school's relationship to religious bodies and their views of ministry as well as to other bodies, such as scholarly and civic organizations, which will also be relevant factors in identifying appropriate candidates.

In addition, the selection committee must carefully appraise the current situation of the school in light of changing external and internal conditions critical to the school's life, along with the style of leadership needed now to address the school's problems and opportunities. From all these deliberations, the needed criteria and procedures for the search, evaluation, and recommendation of candidates can be established.

Especially at this preliminary and preparatory stage of the process, the emerging consensus on criteria and procedures should be fully reported to the board. Prior to the solicitation of candidates, the board of trustees should be informed of and given the opportunity to adjust the assessment of the school, the criteria that have been developed, and the plan to be followed. Time and effort expended at this stage of the process, even in the face of a sense of urgency to secure new leadership, will enhance the chances of a successful outcome.

With consensus operating on these important bases, the selection committee should proceed to develop both the written materials that will form the public notice of the call for nominations and the internal criteria that will apply to the screening of candidates. The task at this point is to establish a limited pool of candidates who meet the identified qualities and skills sought. Candidates who do not meet the specific criteria publicly stated can be immediately dismissed by the selection committee or even a subcommittee formed to screen nominees.

Internal to the committee's process, however, a much more refined set of criteria needs to operate so that the greatest amount of attention can be given to the evaluation of those candidates who have the qualities and skills most needed. Agreement on those qualities and skills that are mandatory, not just merely preferred, will narrow the candidate pool even further, with a negative judgment on *any* of the essential criteria eliminating a candidate. Against the more limited pool thus established, the list of "preferred" qualities and skills can be checked.

At this stage the committee should solicit evaluations from persons who know the candidates according to the terms that are most relevant. From these evaluations a decision can be reached on which candidates should be interviewed. Because the candidate pool should now be small, the selection committee can devote extensive time not only to the assessment of the strengths and weaknesses of each candidate but also to the potential "adverse consequences" for the school. Acknowledging that no candidate is ideally perfect and determining whether both weaknesses and "adverse consequences" can be addressed, the selection committee can present its final recommendation to the board of trustees with confidence and candor.

The selection process, when carried out with thoroughness and focus, can also be the occasion for trustees to gain a renewed understanding of the purpose and work of the school and what will be required of them in working with the new chief executive to fulfill the responsibilities entrusted to the board for the care—the administration—of the school.

Trustee selection: The special administrative responsibility of trustees for selecting a chief executive will occur, it is hoped, infrequently. But if trustees themselves are to be considered administrators in the twofold sense noted above, the more frequent administrative task of selecting other trustees is also of vital importance.

Judgments vary on whether a board of trustees should have a systematic provision for rotating its own membership. There are strong arguments supporting the view that continuity of membership is a high priority for a board that plays an active role in the life of an institution. Members with long service on the board bring a needed knowledge and perspective, in light of recurring and new problems being faced by a school. They also provide an identifiable and ongoing link with broader constituencies. Strong arguments apply, on the other hand, to the view that especially today a theological seminary needs systematically to include new trustees on its board in light of the resources such persons bring to address problems and to enhance contacts with constituencies. A board needs to address self-consciously the issue of how it will balance continuity and change in the selection of its own membership.

Whatever provisions are made for continuity and new membership on the board, and however restricted a board may be in terms of selecting its membership (whether, for example, it is bound to respect the nominations of related bodies or must select persons from a particular denomination or region), a board should press to have as much freedom to select the kinds of persons who will serve the purpose, needs, and opportunities of the school. The selection of trustees, that is, should at least formally approximate the process of selecting a chief executive officer: Selection should occur according to a continuing assessment of the school's traditions and identity, its purpose and mission, its current and projected needs and opportunities.

Following the suggestion that any trustee will be assuming a twofold administrative role, the person chosen needs to appreciate and be able to contribute to the distinctive task of theological education in the particular ways a school attempts to accomplish its purpose and mission. This will involve an assessment of the potential trustee's theological orientation as well as ecclesiastical or educational affiliations. And the person chosen needs to be able and willing to bring to the board his or her own valuable administrative skills.

Here again the adopted mission statement and other literature of the school should be sufficiently definitive to allow a nominating committee and then the full board to make an informed selection. Attention should be given to those areas in which the chief executive and his or her staff need continuing counsel from trustees as well as those areas in which a trustee can provide assistance in light of the absence of expertise on the salaried staff.

The nominating committee of the board, like the selection committee for a chief executive, must be constituted by those who understand the school broadly and have knowledge of its various parts and needs. Consultation with the chief executive and the officers of the board is an essential component of a nominating committee's work. An effective committee will have a plan to secure a pool of trustee candidates, to evaluate qualities and skills, and to share with those being considered the nature and needs of the school and what is expected generally and specifically of a trustee.

Because trustees of theological schools today must play a more essential and active role, the administrative responsibility of selecting membership on the board cannot be treated casually or as a once-a-year perfunctory exercise. Selection of trustees now must be seen as a significant and ongoing responsibility that serves to advance the work of the total institution, its parts, and all of its relationships.

Other administrative officers: Beyond provision for confirming faculty and administrative appointments based on recommendations from appropriate committees, the board of trustees normally gives a chief executive a great deal of latitude to select a staff. Nonetheless, there are circumstances, in which a chief executive and a board will want to cooperate in the selection of other administrative officers. At times, for example, when there is a need to reorganize the structure of a school's administration because of new demands or budgetary limitations, a board of trustees can serve a useful function by bringing insights and suggestions from other spheres of administration and by identifying faults and omissions in proposals. The wholesale imposition of administrative models from other educational institutions, nonprofit agencies, or businesses would hardly be appropriate, but consideration of organizational advances in these areas can be helpful. Trustees can be sources or the means of access to sources of such insight and counsel.

In the search for administrative staff according to well-defined position descriptions, trustees can also be of assistance. Given their familiarity with the aims and needs of the school, they can suggest candidates who might not emerge from the normal channels of solicitation—candidates, for example, who may not be seeking a change of employment but who have the very qualities and skills needed as well as the capacity to appreciate and work in a theological seminary by virtue of their religious and ecclesiastical commitments. When serving in this role, trustees need to avoid making persons they recommend seem to be "their" candidates. The aim must be, as in every selection process, to gather the widest possible pool of candidates who fit the carefully defined position description, then allow the evaluation process to work fairly to secure the most qualified person.

Trustees can be of special assistance if the position is in their own field, or if they know associates of the candidate. An interview with trustees may reveal strengths and weaknesses of a candidate that could not otherwise be detected. The reactions of trustees to a candidate can also be important if the position requires that the appointee regularly participate in a board committee or function.

Trustees too can provide encouragement and incentive for the candidate chosen to accept appointment at the school. Any potential administrator will be more inclined to accept an invitation to join a staff if he or she knows that trustees take an active and affirming part in the school's work and that trustees support the chief executive in the invitation to appoint the candidate.

Schools of higher learning are always personnel-intensive. Their quality rests primarily on the quality of persons selected to serve. As those entrusted with the care of an institution, trustees must understand that their part in selection is crucial to the vitality and strength of the school. Given the special character of a theological school and the challenges it faces, the trustee's responsibility in selection is more pressing than ever.

Administration as Support and Development

In the account of creation found in the first chapter of Genesis, God not only forms human beings in the divine image and calls them—selects them—to care for all that has been given, but God also provides men and women the nourishment necessary to meet their administrative responsibilities (Genesis 1:29-30). It is not unreasonable to suggest, therefore, that trustees made in the divine image will also attend to the nourishment of those selected to serve an institution as they join together in the administration of what God has entrusted to them collectively. Trusteeship, that is, involves mutual support and development in the service of God's will and purpose.

Support and development, in fact, are at the heart of the matter of administration—of caring for that which has been entrusted. Support and development must also be seen in continuity with the responsibilities which began with the act of selection.

The chief executive officer: If the selection of a chief executive is one of the major responsibilities of a board of trustees, the importance of support and development of the CEO by a board follows necessarily. This has an especially crucial significance at the early stages but must also continue throughout the chief executive's service. Having made an informed selection, a board has everything to gain—for its own credibility and that of the school—by providing the maximum support for a new chief executive and by making continuing provisions for the development of his or her skills.

The long-term relationship between trustees and the chief executive will, in most cases, be shaped by the way that relationship is established at the beginning. Beyond, therefore, orienting the chief executive to the institution and introducing him or her to those who make up the school's constituency, trustees need to be open to initiatives the chief executive takes in becoming more familiar with members of the board and in experimenting with patterns of working together. Enhanced acquaintance and flexibility to modes of operation at this stage will allow for an effective style of communication and cooperation to emerge and be sustained, as well as be adjusted, over time.

Just as the selection process should have been treated as a "special case" with regard to the allocation of the school's resources, so also should consideration be given to budgetary and personnel arrangements that are distinctive to introducing and orienting the new chief executive to the school and its constituencies. A "transition fund" based on a planned program, but also providing for unexpected expenses and unforeseen opportunities, will enable the school to take advantage of adjusting creatively to its new leadership without disrupting the annual budget, especially if the "transition fund" is established through special gifts from trustees and those with particularly close ties to the school.

In public forums the strengths and special skills of the new chief executive will be highlighted. But the selection process should also have identified for trustees the areas of weakness and their possible consequences. It falls, therefore, especially to trustees to play the delicate role of making provisions, even at the earliest stages, that will support the new chief executive in developing competence in these areas, whether through counsel, direction for continuing education and development, or rearrangement of staff.

In terms of the continuity between the selection process and the arrival of the new chief executive, however, the most important factor is the support he or she receives from the board to provide leadership for the fundamental purpose of the school. The selection process, when accomplished effectively and successfully, will have included a careful assessment of both the new chief executive and the school itself. A choice of leadership will have been made in light of the school's mission in the face of clearly defined circumstances.

Often at stake is not only a change of leadership but also a change in the ways a school will approach its mission. This can involve revision of the institution's goals and objectives or merely adjusting the ways in which established goals and objectives will be pursued. As the body that has taken responsibility for these assessments and, in their act of selection, authorized a direction to be taken, the board must assume responsibility for the support and development of the one chosen to advance the school in its mission. It is when the grace period that most chief executives enjoy is over, when the inevitable changes that accompany new leadership occur, that the continuing support of the board is most needed.

The ongoing support and development by the board of trustees needs to be informed by an understanding of the role of the chief executive. It is important to remember that *as administrator* he or she functions not as the object of support and development but as the *agent* or *instrument* by means of which the primary work of the school is supported and developed. Administration is not an end in itself, and a chief administrator—even when serving as the main architect of a school's program or as its chief representative—must understand his or her responsibility to be the support and development of the school's mission as a center of education and inquiry. The support and development of the chief executive by trustees needs to be seen from this perspective: of supporting and developing the one whose task is the support and development of the institution. Indeed, as trustees themselves are, within the Biblical view, administrators, so their own role must also be seen as supporters and developers of the school's primary work.

Like few other supporters of the school, however, trustees should coordinate their support of the institution through the chief executive. That trustee support needs to be evident, visible, not only to the chief executive but also to those within the school—faculty, students, and other administrators—and to external constituencies. It needs to be evident in a commitment to the total vision of the school and to the ways in which that total vision is being implemented.

Internal to the school, trustee support is essential to the chief executive for forging the direction and shape of the school's program, for developing in concert with others the institution's goals and objectives, and for implementing plans and coordinating operations. To overcome inertia and resistance the chief executive needs the backing of the board. Especially in a time of budgetary constraint, the chief executive needs the informed support of trustees for adjusting and allocating resources.

In much the same way, trustee support of the chief executive applies to the school's relations to external constituencies. Changes and new initiatives need to be interpreted to those who identify with the school, just as those changes and new initiatives provide opportunities for the school to relate to new constituencies. As primary interpreter of the school to existing and new constituencies, and as primary solicitor of funds to support the school's programs, the chief executive will have a stronger voice if it is clear that the board endorses the directions being pursued. An even stronger signal is conveyed if trustees themselves join with the chief executive in the interpretation of the school to external constituencies and in the solicitation of their financial support.

The credibility of trustee support of the chief executive in relating to both internal and external constituencies, however, will depend on the degree to which trustees are themselves involved in the life of the school. Attendance at meetings of the board and its committees is essential, and appearances at other school functions can also signal interest and commitment. Knowledge of current operations as well as programs and personnel is vital. These are only the necessary conditions for meaningful support of the chief executive by trustees. Participation as co-administrators by trustees is the crucial factor.

With leadership provided by the chief executive, every member of the board should assume general and specific administrative responsibilities for the school. Of those duties held in common, some will be defined by the bylaws and include the consideration and approval of recommendations coming directly from the chief executive or through the committee structure of the board (annual budget, special appropriations, appointments, election of new trustees and officers of the board, etc.). Other trustee-wide duties will be unwritten, either because they are *assumed* or because of *special circumstances*.

It should be *assumed* that every member of the board will be engaged in institutional advocacy and fund raising. While the strategies to be followed will come from the school's development staff and be recommended through a committee of the board, the trustee needs to understand that he or she in one way or another is an agent of the school's public relations and fund-raising staff. Responsibilities in this area include the identification of constituencies and prospects (individuals, churches, corporations, and foundations), the nurturing of those constituencies and prospects, and their solicitation. Given the pressing financial demands placed on seminaries, public relations and fund raising cannot be left solely to the salaried staff or to a select group of trustees. The support by all trustees of a well-planned development program is essential.

A related administrative responsibility of all trustees is long-range planning. Statements of institutional mission and purpose, along with goals, objectives, and plans for implementation, in many cases will be generated by staff and faculty and will be recommended through a committee of the board, but the involvement of all trustees in the process of assessment and adoption of the master plan is indispensable (See chapter 6).

In addition to those responsibilities held in common, every trustee should have been selected because of particular skills and qualities which the school—and therefore the chief executive—needs. The committee structure of the board provides the broad categories by which these skills and qualities can be identified. Each committee serves as a supporter and developer of the chief executive, and each member of a committee serves as a resource to whom the chief executive can turn for counsel. In addition, some trustees may need to assume specific administrative duties, although when doing so the trustee should understand that he or she acts under the direction of the chief executive. As noted earlier, given the expanding number of administrative issues any chief executive and staff must now address, this trustee function can have increasing importance. It runs the danger of blurring and confusing divisions of responsibility and lines of authority, so clarity about assignments and accountability is needed. But its careful employment can bring valuable administrative resources to the seminary.

Task forces and *ad hoc* committees can also be a significant instrument of support for a chief executive. Unless the matter is so immediate or short-term as to require only a single meeting or two, such task forces and *ad hoc* committees should receive board approval. If the need for such a group continues over an extended period, a way needs to be found to incorporate the function into a standing committee.

Finally, as trustees of an educational institution—and, in most cases, an institution that affirms the importance of *continuing* education—trustees should be ready to encourage the chief executive to engage in his or her own continuing education. This can be an important symbolic action for students, faculty, other administrators, and to the constituencies, in addition to its value to the chief executive.

Trustees: If trustees are to serve the school as administrators in the general and specialized ways noted above, they too are deserving of support—of the nourishment needed to meet their administrative responsibilities. Trustees should have reason to expect that the school, through the chief executive and his or her staff, will provide that support.

The new trustee needs special support. A file or notebook containing materials on the school together with official and working documents of the board will provide a minimal but essential source of orientation. Extended conversations with the chief executive and the chairperson of the board should follow, and a formal orientation program on the campus can be beneficial. New trustees are important new administrative resources for the school; the support they receive at the beginning of their service will contribute to the ways in which the resources they bring can be effectively used on an ongoing basis (See chapter 9).

The chief executive can provide continuing support for trustees in at least three ways. First, trustees will be supported in their general and specialized administrative responsibilities as the chief executive provides *leadership* and direction for the work of the board. This is not to diminish the role and function of the chairperson or other officers of the board, but rather to recognize that officers too will depend on the guidance the chief executive can uniquely provide.

One dimension of that leadership role is to provide the board continuously with an understanding of what the school is and should be. Another is to prepare and organize the board for its work. Carefully developed agendas, reports, and recommendations with supporting documents and rationales for formal meetings of the board and its committees, for example, provide direction that permits trustees to act in an informed and focused way. Forethought given to trustee assignments that would follow from actions taken by the board can assure that the best administrative expertise is being utilized. The leadership the chief executive provides within the context of the board is a means of supporting both the trustees and the total work of the school.

Second, trustees will be supported as the chief executive serves as a channel for *communication* relating to matters of the board, the school, and theological education in general. A regularized pattern of communication provides for continuity between meetings, for reporting on the work of committees, and for keeping trustees apprised of developments. Trustees should receive all publications and official news releases of the school to keep informed on how the institution presents itself publicly. Internal schoolwide publications should be made available, as should some of the periodicals dealing with various dimensions of religion and education. Beyond this, the chief executive needs to find ways of establishing lines of exchange that will enhance mutual trust, common purpose, and the sharing of ideas and concerns. Meeting with trustees individually and creating informal occasions in which issues of the school are aired can be very helpful.

Third, a chief executive can support trustees by providing opportunities for *development and training*. A board can profit from receiving on a regular basis the publications dealing with issues of higher education as these relate to trusteeship, even if some of the topics do not apply directly to theological schools. The materials from the Association of Governing Boards of Universities and Colleges, which include a newsletter, a journal, and a number of special publications, serve as outstanding examples of this literature. A chief executive should also make available to all trustees copies of reports and articles particularly relevant to issues the seminary is facing. Consideration should be given to sending at least the chairperson or another key officer of the board to conferences and workshops on trusteeship, with the expectation that a report from the person attending will be shared with the board.

A trustee development and training program becomes even more important as trustees assume specialized administrative roles within the board and for the school as a whole. This can be accomplished by making available to a trustee or trustee committee the literature that keeps abreast of specialized dimensions of educational administration and by encouraging participation in programs devoted to such topics.

The commitment of the school's resources to the development and training of trustees might once have been considered a luxury. However, because of the issues to be faced and the scarce financial resources available, this now is a wise investment that can bring significant returns to a chief executive and staff, to the board in its work, and to the school.

Other administrative officers: Although themselves committed to the support and development of others, including trustees, salaried administrative staff also need support and provision for development of their skills. The chief executive should provide time and resources for staff development, and trustees should appreciate and support such efforts. Whether the continuing education of the administrator is accomplished by means of participation in workshops and conferences, in formal courses of study, or in an arrangement for a study leave, the kind of training he or she will undertake can be specified for reasons of updating skills or developing new areas of competence deemed important to the school.

Trustees can also be a part of the direct support and development of the administrative staff. This is especially the case when trustees have been selected and are serving the school on the basis of specialized expertise. Information and insights from the trustee's field of competence can be shared with the salaried administrator. More broadly, individual trustees might have knowledge and competencies that would apply to a number of members of the staff and even faculty, in which case workshops led by trustees can be developed and tailored to the school's objectives.

The legitimate lines that serve to separate functions and responsibilities cannot be barriers to mutual support within a seminary. Division of function and responsibility, rather, should be the means for identifying and implementing the ways in which there is supportive interdependence and reciprocal nourishment among the parts for the sake of a larger and common purpose. As those selected —called—to give oversight and care for the seminary in its parts and totality, trustees should themselves be the recipients of support in order to be the providers of support. Directed to the seminary, that support is the means by which the school itself can fulfill its particular call to serve God's will and purpose.

Administration as Evaluation

At each stage of creation, as recorded in the first chapter of Genesis, God pauses to review what has been accomplished. Before proceeding to another stage, and resting on the seventh day—with the administration of the world having been entrusted to human beings—God engages in assessment. Based on what was envisioned and willed, God evaluates the completed work.

As creatures made in the divine image, called to administer the creation and nourished for their work of caring for the world entrusted to them, human beings too need to review and assess—to evaluate—the results of their labors. An essential component of trusteeship as administration thus involves evaluation. Since, moreover, the divine image is marred by finitude and sin, there is no assurance that the required evaluation of human efforts will be favorable. The assessment may require revision of well-laid plans and adjustment in provisions for support of those plans. It may even require starting anew. But if evaluation can have such consequences, care must be taken not only that the criteria are appropriate but also that the ends sought will address the larger purpose of God's call.

A board of trustees fulfills one of its major administrative responsibilities with its demand that a seminary engage in regular and rigorous evaluation of all of its programs and personnel. Entrusted with the oversight and care of the total institution, the board should expect that all evaluations will be carried out in light of the school's purpose and mission. It should expect that the criteria for evaluation be based not only on external standards, such as those of an accrediting agency, but even more in light of the specific goals and objectives of the school. And the board should expect that the results of the evaluation will lead to recommendations that will effect institutional advancement.

As individual trustees or board committees participate in particular dimensions of the school's life, they may sometimes be directly involved in various evaluation processes. In many cases, however, trustee responsibility will be met by carefully reviewing evaluative reports and acting on resulting recommendations. In addition, the board itself should take responsibility for a few specific but very important evaluations.

The chief executive officer: As the figure who is viewed as central to the school by virtually every internal and external constituency, the chief executive is under constant review and evaluation. This is certainly the case with reference to the board of trustees, since the chief executive is the major and continuing link between the board and both internal and external constituencies of the school. One can, therefore, question why it is advisable for a board to make provision for structured and formal evaluations. The wisdom of such a practice can be further questioned if an evaluation is viewed as a test that the chief executive passes or fails, since this could hardly create the conditions in which cooperation and mutuality would be assured. A better alternative would appear to be letting the more natural and ongoing processes of evaluation operate and to let the decision of passing or failing come only when it seems necessary.

A strong case can be made, however, that for the sake of the chief executive, as well as for the board and the school, such haphazard and improvised assessments serve little constructive purpose, and that much can be gained if provisions are made for systematic and scheduled evaluations of the chief executive. This is especially the case if the assessments are seen as "formative" rather than "summative" (categories employed by W. James Popham in *Educational Evaluation*). Summative evaluation refers to a type of assessment in which a decision is reached to terminate or continue a person or program, while a formative evaluation designates an assessment process that identifies strengths and weaknesses and provides direction for development. It is the genuine benefits, no doubt, that derive from such formative assessments of chief executives, which accounts for the practice becoming more common throughout the educational community. John W. Nason's *Presidential Assessment* serves now as a standard text for the evaluation of chief executives, and the Association of Governing Boards has other materials that should be consulted.

If the selection process for a new chief executive has identified strengths and weaknesses, and if the new chief executive has received counsel on areas in which development should occur, a formative evaluation after a period of one or two years can be seen as a helpful and appropriate expectation. Furthermore, the first formal assessment can evaluate not only performance based on the criteria employed in the selection process, it can also be the means to evaluate the validity of those criteria in light of the intervening period. The results of the evaluation might include not only counsel to the chief executive on ways to improve performance within a set of expectations, but also a revision of the expectations.

Responsibility for the evaluation, whenever it occurs, should be assigned to a body within the board, such as the officers. If possible, someone having familiarity with theological education should administer the assessment and interpret its findings to the board. A printed instrument, developed on the basis of relevant criteria and in consultation with the chief executive and other key personnel, permits a wide sampling from internal and external constituencies. This instrument should be designed to elicit substantive responses rather than simply positive or negative reactions. Individual interviews with a more selected but still representative group of the school's constituency will provide the occasion for following up on the issues identified in the printed instrument. However if the findings are reported to the full board and beyond—a matter, obviously, that should be handled with sensitivity and forethought—then the chief executive should have the opportunity to discuss the report in detail with those trustees who have assumed responsibility for the evaluation. Specific recommendations should be developed in the context of this discussion, with an understanding of how and when proposals can be addressed.

A truly beneficial evaluation of a chief executive requires the commitment of time and many persons and of institutional funds. It should be well-planned and scheduled for a time when the relevant parties are able to participate. The evaluation should not take place amid institutional turmoil or intense activity. Most of all, a formative evaluation requires the sympathetic and constructive understanding of the chief executive and the board. When understood correctly, systematic assessments are a significant means through which a board can find the appropriate ways to support a chief executive and provide for his or her, as well as the school's, development. If made a part of the two- or three-year rhythm of a school's life, such assessments can be regular points of evaluation of not just the chief executive but of the institution itself.

Trustees: One of the unexpected benefits deriving from assessments of chief executives is the evaluation of trustees that often results. As a consequence of better understanding the responsibilities of the chief executive and total work of the school, the evaluation can identify both the general and specific duties members of the board must assume for the sake of institutional advancement.

This points to the need for some provision being made to evaluate board structure and operations on some periodic basis. However this is achieved, whether by a process of internal self-criticism or with the help of outside counsel, what is important is that the board find ways in which to take stock of its functions. A trustee workshop or retreat held every two or three years can serve this end (See chapter 4).

Attention also must be given to assessment of individual trustees. This will most naturally occur at the time of reappointment, and falls naturally to the nominating committee in consultation with the chief executive. If a trustee has not been active, the occasion can be taken to review expectations and determine whether continued appointment is mutually desirable. Similarly, reappointment time can be the moment for expressing appreciation for an effective trustee and affirming the importance of continued service on the board.

Other administrative officers: As with their selection and development, the chief executive has primary responsibility for regular evaluation of administrative staff. Insofar as other salaried administrators of the school relate to committees of the board or to individual trustees, the evaluation of a staff member can appropriately include assessments by trustees. Under normal circumstances, these evaluations will also be seen as formative, and the participation of trustees should help the staff member enhance professional competencies that will support the school's objectives and programs.

Evaluation as a dimension of administration is intimately related to the administrative acts of selection and support. Trustees as administrators of a seminary have a significant role to play in all of these interrelated functions involved in the care of the institution.

The Biblical Ends of Trusteeship and Administration

Throughout this essay I have appealed to the Genesis account of creation as a warrant for relating trusteeship and administration. The Bible, however, provides not only an understanding of our beginning, it also provides a vision of our end. It is a vision of a redeemed creation giving praise to the sovereign God. That end, so vividly portrayed for the Christian in the Revelation to John, serves too as a warrant for trusteeship and administration, because it gives purpose and meaning to the responsibilities assigned to those institutions and individuals called, nourished, and judged by God.

Theological seminaries have a part to play in the drama of the world, as they prepare persons for ministries that direct the creation toward its fulfillment. Entrusted with the care—the administration—of those seminaries, trustees are themselves ministers in the cause of God's will and purpose. In obedience to God's first commandment, trustees of theological schools today serve God's lasting glory.

Self-Review Questions

1. What is the proper role of the trustee in fostering creative responses to changing circumstances in light of your seminary's identity and mission? Can you describe your seminary's theological identity?
2. Are there administrative demands emerging at your seminary that might be met by trustees under the direction of the chief executive?
3. If the board was required to select a new chief executive in the near future, how prepared would it be to provide the selection committee with a well-defined mission statement along with goals, objectives, and a plan for implementation?
4. What are the ways in which the board is providing support and development for the chief executive? How is the board helping the chief executive provide support and development for the administrative staff?
5. What expectations does and should the board have concerning evaluation in the various parts of the seminary? Especially, what provisions are made to evaluate the chief executive in a "formative" way and at times that will be most beneficial? What provisions are made for evaluation of the work of the board and its members?

Suggested Further Reading

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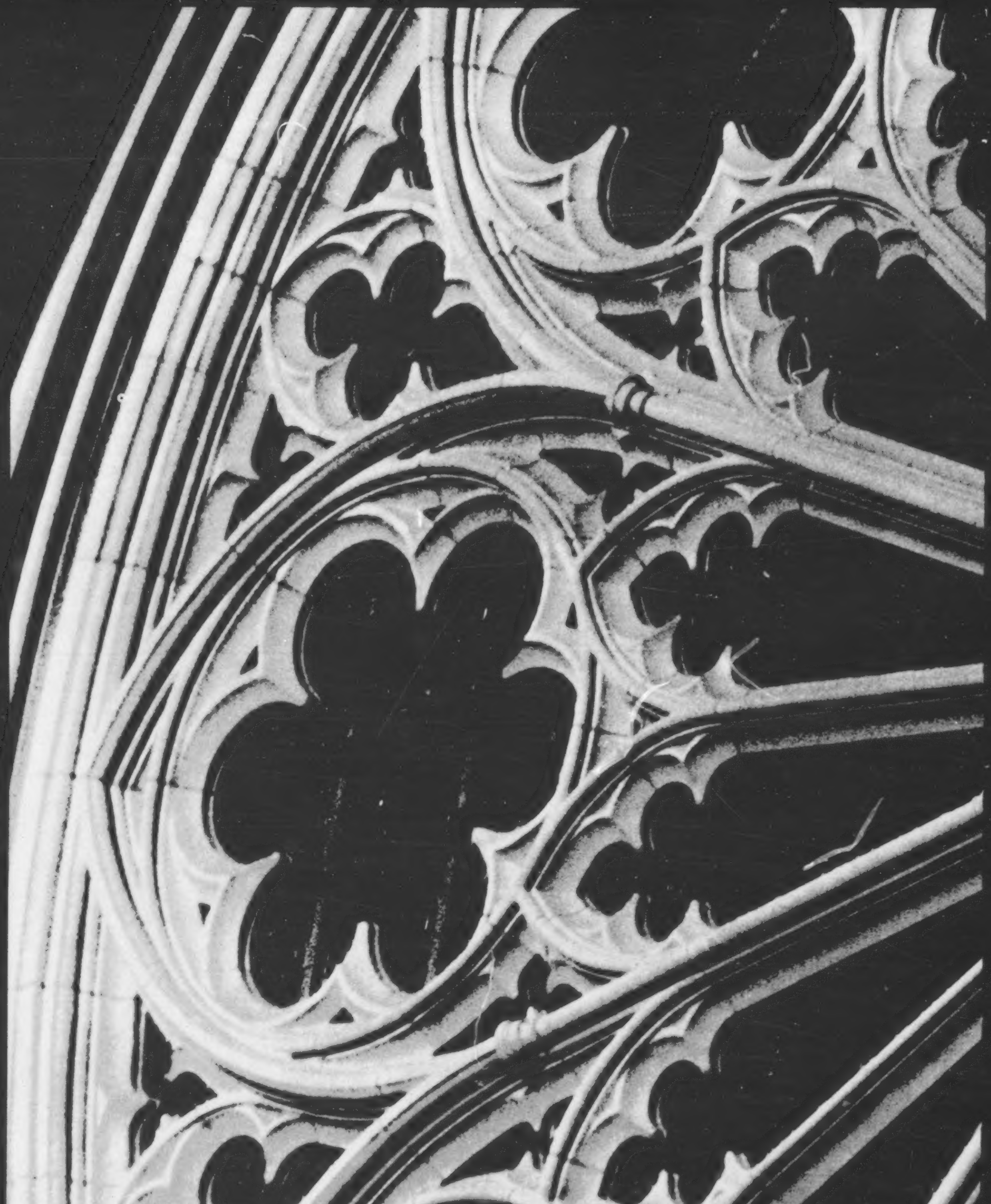


CHAPTER THREE

Henry W. Sherrill

ORGANIZATION OF THE BOARD

Despite the "Dan to Beersheba" diversity of theological school governing boards, seven fundamental principles apply to all: The board must be informed; the chair and executive must be partners; the agenda must be long-range and board-determined; the size and composition of the board must be appropriate to its task; committees must be structured for results; meetings must be interesting and effective, and progress must be measurable.

As Richard T. Ingram has said, "The behavior of a governing board is in large part a function of how it is organized." To produce an organization suitable to the needs of a given board requires bonding between sound principles of governance and the concrete requirements of a specific institution. A good place to begin is with three basic questions from which all successful answers to board organization eventually flow:

1. Will the board organization guide the board to discharge obligations of statute, charter, bylaws, and the standards of theological academia?
2. Will the board organization provide members of the board with the qualities of mutual acquaintance, trust, and collaboration necessary to function *as a unit*?
3. Will the board organization provide the board with sufficient force and character to establish, plan, and execute the mission of *tomorrow's* institution?

A board that has pointed itself toward down-to-earth answers to these questions is well on its way to responsible discharge of its functions. Without a framework for living together, one trustee observed, "We will be stabbing one another in the back and getting in each other's way." Board organization can be a sacramental tool by which trustees identify themselves as members one to another, define together the common task, distribute fairly and accountably the work among themselves, and hold themselves to their calling as a body of governance.

Organizing the Board for Work

Governance thrives on a due process rooted in candor, communication, collaboration, and confidence in a shared mission. Too many trustees perceive the values of governance as resting upon noble intentions and good manners rather than upon the bedrock of institutional performance and defined service. In courts of law, trustees have been held painfully to such accountabilities. Furthermore, the statutes are clear that the exercise of powers is conferred upon the board as a whole. Held equal in responsibility, all members are implicitly, therefore, equal in ownership of information, in authority, and in power. This fact guarantees the need for appropriate organization. From a Biblical point of view, board organization rests upon the notion of covenant—a collegial body of principle, procedure, and person. The incorporation of these integrities into board behavior is at once the art and reward of governance.

Translating such generalities into specifics is no easy matter, in light of the "Dan to Beersheba" diversity in the size, composition, authority, power, responsibility, and style of theological school boards. Nevertheless, there are definable underlying factors and functions common to the organization of any or all of these boards, appearances notwithstanding. These "commonalities" may be applied to specific situations. Seven, in particular, commend themselves to the construction of effective organization:

1. The board, individually and collectively, is *informed*.
2. The chair and the executive are working *partners*.
3. The agenda is long-range and board-*determined*.
4. Size and composition are *appropriate* to the governance task.
5. Committee structure is *chartered* and *organized* for results.
6. Meetings are structured to be *interesting* and effective.
7. Progress is *measurable*.

Each of these commonalities is firmly linked with the others. All are necessary to the function of each. Comprehensive information generates an agenda plan laying out what must be done, when, and by whom. The agenda plan in turn shapes the job descriptions of chair and executive, and the purposes and interrelationship of committees. Without objectives and schedules, progress is impossible to measure. To take up the commonalities one by one:

The board is informed: "The information flow and reporting system," Charles Abbott has observed, "is the point at which the practices of many boards are most vulnerable to criticism and attack." A trustee member of a public university board once told his colleagues in the presence of the author: "Whenever the information fails to appear, I suspect a conspiracy." The truth is that the uninformed trustee is at best ineffective and may even be, under certain conditions, negligent. Theological school trustees typically join colleagues from other institutions in expressing dissatisfaction with the deficiencies of their reporting systems. Fortunately, a deliberate, pointed effort can work substantial corrections.

The secret is to ask questions and keep on asking them. Jesus proposed the importunate question as an approach to the Kingdom of God. "Operating officers and staffs need to be mostly believed," Robert K. Greenleaf has stated. "Trustees need to be mostly critical." An information framework of order and direction can be based upon these queries: What information is needed? Where is the information to be found? How is it to be reported? Who is to be responsible for the conveyance? A governing board opens itself to error by leaving the responses solely to internal officers and to a few "knowledgable" trustees, however dedicated. It is the board's responsibility as a whole.

A change in attitude is the place to begin. From "I am too embarrassed by my ignorance to ask a question" to "It is my duty as a trustee to ask questions, and pertinent ones at that" is the gateway to growth. Good information is shared information. How can a trustee be an effective advocate of the institution when the financial reports are comprehensible only to the treasurer and bookkeeper? The "dumb" question mired in the hesitancy of one trustee is the very one the rest of the board would secretly like to raise. The time has passed for trustees, even new ones, to be intimidated by their own staffs or by senior members. Chairs of boards and board committees must strive to create an atmosphere charged with critical concerns. The good trustee has the courage of his questions.

Why are trustees so often reticent? Why are board sessions haunted by the "hidden agenda"? Much can be attributed to the fact that board members are short of information about each other. When trustees are strangers to one another, the atmosphere is guarded and communications to varying degrees chilled. Even when trustees are personal acquaintances elsewhere, a transfer of rapport to their work on the board does not necessarily take place. Who are you? How did you become a trustee? Why are you a trustee? The raising and answering of three such obvious questions in a group session where all participants are face to face takes a giant stride toward establishing the personal equation. "I never heard Jones open his mouth before." "The commitment Smith has to theological education is surprising." "Pastors have more sense about organization than I realized." "Though a new member, I already feel at home." These comments upon the conclusion of a personal information exchange among trustees indicate a growing sense of mutual trust and cohesion.

Trustees often complain with justice that they are more confused than assisted by the information they receive. Administrators operating without selectivity inundate their boards. Information so reported reflects the administrator's operational "inside" bias rather than the "outside" requirements of the board.

There are only five questions for which trustees need answers in order to do their job. High performance boards with good organization succeed in nailing information requirements to these five questions:

1. Can we define and state the mission of this institution?

2. Do we have goals fulfilling the mission, and are they sufficiently distinct for the measuring of performance?

3. Do we have an organization capable of achieving the goals?

4. Can we monitor the performance of the institution?

5. Is the organization and practice of the board of trustees sufficient for the determination of its role and discharge of its responsibility?

The process of assembling the information relative to these questions can be given a sharp focus by the employment of board self-study criteria (see Appendix I). The self-study criteria in themselves define the information areas essential to the board's knowledge. They organize the informational content and establish a format and procedure for its procurement.

In conjunction with the self-study criteria, there are three other devices helpful to the organization and delivery of requisite information.

An *inventory of constituents* can provide the board with a listing of groups (alumni, donors, congregations, judicatories, faculty, students, local communities) that have a claim upon the institution and that form the "publics" to which the trustees are individually and corporately liable.

A *list of definitions* can explain the terminology of board and institution. Part of this might be a table of organization and a directory of names, titles, addresses, and telephone numbers. What is the meaning of terms like goal, objective, policy, program? Every institution has its acronyms and jargon. A common organizational language reduces the blank stares and awkward silences.

A *board manual* can give each trustee everything he or she needs to know about the institution, governing documents, board actions, and other relevant information. The manual should be large and looseleaf for frequent updating. It should contain charter, bylaws, minutes, financial statements, audits, committees, directories, inventories, current reports, studies, planning proposals, agendas, institutional background material, tables of organization, and any other material applicable to the trustee's job.

Chair and CEO are Partners

In organizing the board into a collegial unit, much depends upon the conduct of the chair and the executive and their interrelationship. Other components of the institution will cue their behavior, explicitly and implicitly, to the style and standards demonstrated by these officers. No seminary board to the author's knowledge has been effectively organized without a close, candid, and complementary chair-executive tandem. It is the unfortunate nature of nonprofit institutions, schools of theology not excepted, who are governed by part-time, voluntary, and usually nonprofessional trustees, to breed mistrust and skepticism. It takes active and positive efforts by the chief legislator and the chief executive to establish through their own rapport and partnership counteragents to the negatives.

Quite correctly, conventional boardsmanship has assumed that the chief executive, be he president, dean, or rector, is indeed the executive of the institution. Quite wrongly, convention assumed that the chief executive is also the executive of the board. Unless the board wishes to surrender itself to reactive passivity, it will be clearly established that the chair will be the board's sole agent and executive.

Elected by the board as the first among equals and with special gifts for collegial leadership, the chair will execute the business of the board as the board determines. It is the chair who presides, monitors the discussions, holds the members to the agenda and to rules of order, and brings matters to a vote. The chair is *ex officio* a member of all committees, and may indeed chair the executive committee as well. The chair plays a decisive role in board assignments, the welcome of new members, and the performance review of current office holders. The chair often speaks for the entire board and not infrequently for the institution. In effect, the chair, not the executive, is the quarterback and play caller for the board team.

While the board has full statutory responsibility to manage and administer, the board must in practice delegate operational authority to the executive. A vigorous, innovative, and independent executive should be the objective of every board. Boards, however, who assign unspecified powers to the executive without accountability, or who insist on intruding in matters obviously operational in character are simply asking for trouble. A definition of the powers the board retains to itself and those conferred upon the executive is essential. Here the executive informs. Here he recommends. Here he acts with full authority and with the total, advance support of the board.

Something is always missing, nevertheless, in the best of board-executive relationships and definitions. The chair-executive partnership overcomes the deficiencies. Their partnership should have a particular influence upon the following:

- Establishing the dividing line between the executive's prerogative and the board's business.
- Sensing when the board is meddling and when it might be negligent.
- Providing an early warning system for potential "red-flag" issues within internal and external constituencies.
- Giving shape to the board and institution agenda.
- Providing a trustee "council of advice" to the executive for sounding board and consultative feedback.
- Laying the motivational and procedural base for performance evaluations of the executive, of the board, and the institutions program and personnel.
- Keeping alive the vision of what the institution can and must be.

The Apostles Peter and Paul had much to say individually and together about the mission and structure of the early church. Among their descendants today are the chair and the executive, and this heritage poses genuine problems for the present governance of theological schools. Frequently, the chairs of seminary boards are judicatory officers —bishops, presidents, provincials, chancellors, presiding officers, etc., representing ecclesiastical authority of actual and symbolic potency.

Invariably, the seminary represents only one of many chairmanship responsibilities and duties. The conflict of time and priority is inevitable within the limitations of one office and one mortal. Furthermore, these ecclesiastical authorities may have a powerful hand directly and indirectly in the determination of budgets, the appointment of personnel, the positioning of ordinands, the nature of curricula, and the selection of trustees. Where pastoral reverence and priestly deference are combined with such temporal factors, the office of chair becomes circumscribed and confused. Such a state tends to compromise the integrity of the board's organization and practice. It is particularly costly to institutions whose present history requires a chair unambiguous in role and unfettered in time.

The joint role of ecclesiastical authority and board chair is long established in both polity and tradition. In some cases, structural changes are beyond the possible. Nevertheless, it behooves ecclesiastical authorities who are also chairmen, for the sake of deserving boards, to review the situation. Where canonical revision is possible it should be considered. Where impossible, shifting of general chair duties to permit concentration upon a particular theological school becomes an option. Another is the delegation of the chair authority to a respected and trusted vice chair. The point is to find the most practical and effective approach in this sensitive area to providing the seminary with the chairing it requires. Given the dynamics surrounding the office, it must be the ecclesiastical authority's responsibility to initiate the discussion and the action.

The Agenda Is Long-Range and Board-Determined

The agenda is the means whereby the board gets it all together. Even good information is of little value unless it can be fed into the bloodstream of the board. An agreed-upon format is required for appropriate leadership by chair and executive. As nature abhors a vacuum, so good governance and effective board organization resist surprises. Power plays dependent upon ignorance and sneak attack do not run well on agenda tracks. Planning ahead and achieving desired results require clear-cut agendas and schedules. Agendas are to boards what plays are to football teams. Agendas are the formal language of consent and commitment.

By instinct and experience, trustees expect positive agendas. Unfortunately, seminary trustees report frustration over the agendas under which they labor. Too many items are of minor value; too little time is allotted to the important. Priorities are nonexistent. Day-to-day issues, largely fire fighting in character, are in command. Major decisions are requested without adequate preparation. Neither procedure nor time is available for measuring progress toward goals. Inadequate agendas expose the institution to unnecessary risk by overlooking factors and events of potential danger. Furthermore, able trustees interested in something more than "business as usual" are continually frustrated. The construction of an effective and cogent agenda is the board's high road to proper organization and to gratifying performance.

How is this done? Where does one begin?

Ask the members of the board to answer two questions. What are the seven most important decisions the board must confront in the next three years? In what order will they be ranked? Answering these two questions performs three tasks. It rivets the board's attention upon its most serious responsibility, making decisions; it establishes priorities, and it establishes a long-range agenda.

Boards completing this exercise are surprised to find either that none of these priority items are on the customary agenda or, if they are, time allotted to them is so skimpy as to deny serious resolution. It may be discovered that unanimity as to decision priorities does not exist among board members, between board and executive, or with key publics such as faculty and students. Do such differences stem from faulty information, differences of perspective, or inadequate processes for discussion and conclusion? Whatever the case, the approach to a live agenda has been uncovered.

The best live-agenda candidates involve institutional mission, curriculum, faculty standards, enrollment, financial stability, accreditation, executive selection, and board performance. Their very nature identifies them as significant and long term. Treating them adequately calls for two to three years of disciplined attention. The agenda improves with jettisoning of conventional quarterly or semiannual formats overloaded with routine business. A solid year may be invested in producing a hard-hitting development plan. One theological school board invested three years in assembling a plan and process for revising the curriculum. When the agenda is founded upon those decisions determining the future course of the institution a number of additional strengths are produced:

- A rationale is constructed for where and how the board spends its time—a plan for at least one year in advance.
- Operational matters delegatable to the executive are identified.
- Job descriptions and task assignments are established for the board committees.
- Objectives are set up for the board to achieve and deadlines for it to meet.
- The number, duration, and content of board meetings are determined.
- Standards and styles by which board, trustee, and executive performance may be measured are designated.
- The nature and timing of information flow are described.
- Outside constituencies and third parties necessary to the conduct of the board's business are mobilized.
- The collegiality of the board is maintained through a game plan common to all.

Board members do better when they know what to expect. An important part of a well-planned agenda is the preparation prior to its execution. The premeeting package of information and agenda detail forwarded to members prior to meetings is a potent device. In many cases, the chair will wish to consult in advance those members and outsiders responsible for reporting in order to properly orchestrate the session. A successful format will divide into three major headings, always presented in the same order: receiving items of information such as minutes, changes in status, and financial reports; routine actions requiring board approval; critical matters of long range significance requiring much information, serious discussion, and considered votes. For other more reflective matters such as long-range planning, sessions like retreats are in order with special agendas suitable to their needs.

There is one caveat. The agenda must be determined by vote by the entire board. To do less undermines the mutual comprehension and commitment by which the board acts as a collegial unit. The content and arrangement of the agenda is not the unilateral business of the executive, the chair, or the executive committee. These worthies may play an indispensable role in proposing and servicing agendas, but the final decision must remain with the board. A board that delegates the agenda to others surrenders the control of its own destiny. Furthermore, board members, uncommitted to the agenda, will disclaim responsibility by poor attendance, indifferent participation, and failure to carry out assignments.

Size and Configuration of Boards

How large should the board be? Who should serve on it? By what process of selection? These questions strike at the heart of board organization. How the board performs will be determined inevitably by the factors of size, make-up, role responsibilities of members, their professional abilities and personal characteristics. A board of 50 operates quite differently from one of 11. A board composed to a large degree of judicatory officers with a vested interest in seminary graduates will not be identical to a board made up mostly of laity. Size and composition will affect requirements for information, demands upon leadership, and the shaping of agenda. Is the board in its present form so large and unwieldy as to preclude the achievement of desired results? Does the board lack the trustee skills necessary for planning, development, and fund raising? Is the board membership so clergy-concentrated that limitations of role and time obviate essential contacts with the church and community at large? What options are available for reviewing if not improving present situations?

The configuration of theological boards does not come from thin air. Boards are sized and shaped in accordance with the polity, canons, and traditions of the founding church. Additional factors are provided by institutionalized academia, the standards of professional graduate education, the requirements of accreditation, and, in some cases, direct accountability to the university of which the school is a part. The accountabilities, reflected in the charter and bylaws, specify the measurements of the board (See Appendix III). To these a given board must be obedient. This explains why the board of School A, the ward of a Catholic order, may be composed of a handful of faculty and provincial members, all priests, while the interdenominational School B of Protestant origin may have 55 members, predominantly lay. More diversity is generated by varying methods of trustee selection. Some boards are self-perpetuating. Others are appointed. Still others are by reason of office, or by election of ecclesiastical legislatures. More than a few combine all four modes.

It seems important now to distinguish between slavish and responsible adherence to the traditions and politics of ecclesiastical owners. History informs us that present governance structures were established by church bodies and their theological schools in response to specific circumstances. Is it not fair to suggest that the changing conditions of today warrant a review of past determinations of board size and composition?

Wherever possible, conformity to the purpose, mission, and goals of this school at this time should determine the size and composition of the board. Dedicated and loyal members of the board must be prepared to step up, step on, or, if necessary, step off in order to further the cause. Many boards are already contemplating or making changes in response to the mission mandate. The need for new sources of funds and expert advice is leading Catholic seminaries, for example, to explore the addition of lay persons to their boards.

In other cases and for similar reasons, consideration has been given to reducing the proportion of clergy to laity. One board actually reduced its total membership by over one-third in order to concentrate more effectively on life-and-death issues. Do judicatory officers, bishops and their counterparts, always need to be on the board? Is it automatically incumbent upon them to be the chair? While the answer will mostly remain yes, a discussion will be initiated affirming with greater clarity the traditional course or pointing to sensible and feasible changes. What is done seems less important than how it is done. Whether the board is five or 50 in membership, whether judicatory officers are also board officers, whether the proportion of ordained lay members is 3:1 or 1:3, whether the board is elected or self-appointed, whether the board membership rotates or not, has little to do with effective performance compared to knowledge of the mission and the determination to fulfill it, whatever the cost.

Committees Are Structured for Results

A comprehensive description of committees relevant to a theological school board appears in Article XI of the AGB *Guidelines for Bylaw Development* (See Appendix III). Included are rationales and formats for executive, academic, and faculty affairs, student affairs, finance and business affairs, investment and other subcommittees, development and public affairs, board affairs, and audit committees. There is a helpful discussion of the relationship between standing and *ad hoc* committees. Readers may apply the content with confidence either to the review and improvement of existing committee structures or to new undertakings.

In dealing with committees, however, it is imperative to keep a firm grasp on the fundamental principles of board organization *as a whole.* Otherwise, committees become a law unto themselves. Board members begin to complain that information possessed by one committee is not available to all, that committee decisions are poorly integrated, and that the board itself is bypassed. The answer to these problems is good organization understood by and adhered to by all.

An experienced corporate director once remarked, "I never serve on a board committee unless it has a job description, and that job description has been approved by the entire board." Such a rule forces both board and member to establish the purpose, authority, and accountability of the committee activity. It is virtually impossible for even a small board to discharge all its responsibilities as a committee-of-the-whole. Some division of labor and delegation of authority to individuals serving, if necessary, as a committee of one is unavoidable. Large boards of more than 15 members meeting two to three times a year are inoperable without a string of committees. Adequate participation, accumulation of appropriate information, use of scarce time, and the accomplishment of required tasks necessitate a committee and subcommittee breakdown. The trick is to maintain the proper balance between the board body and its committee members, as Paul sought to instruct us. To achieve this purpose, these steps are in order. They apply equally whether the committee in question consists of one or eleven members.

- Review the agenda plan to determine the what, when, and how that the board has agreed to accomplish. The long-range agenda will dictate the number, nature, and responsibilities of the several committees.
- Guided by the agenda plan, establish what actions the board will reserve to itself as a whole and what shall be delegated to committees. With few exceptions, decision making will remain in the hands of the board.
- Prepare a charter or job description, revising bylaws where necessary, for each committee. Have the board give formal approval.
- For immediate tasks, refine the assignment and set a deadline for the committee to finish the work.
- Circulate the charters or job descriptions among the membership and request assignment preferences from the trustees. The chair will use the information in making the final selection.
- See that every board member is as-

signed to a committee and that a chair is selected to oversee its work.

This process provides safeguards. Everybody knows what everybody else is doing. Committee work may be coordinated and the output integrated into the agenda. The board as collegial unit remains in control. At the same time, the process offers the means of managing more effectively three committee-related issues of special import: the executive committee, faculty and student representation, and board affairs.

Historically, the executive committee has operated like a loose cannon on the board deck. The conventional assignment to the executive committee to "act for the board between meetings" is a license to usurp the power and authority of the board. Motivated trustees not on the executive committee resent this fact. Indifferent trustees use the situation to muddy the waters of their responsibility and accountability. Article XI of the *Guidelines for Bylaw Development* proposes some sensible limitations on the authority and power of the executive committee. It is argued here that further restrictions be considered, the powers and duties of the executive committee to be:

- The preparation of the agenda and recommendation of same to the board of trustees for approval.
- The coordination of committee actions, particularly planning, and the submission of recommendations to the board. (An executive committee composed of committee chairs plus officers is assumed.)
- Implementation of such programs and actions as specifically directed by the board of trustees.
- Acting as a council of advice and consultation to the chief executive on administrative matters.

Under these provisions, the executive committee becomes the servant rather than the master of the board.

How can *representatives of constituencies* and other interested parties be brought into the board's business without diluting its strength or embroiling it in conflicts of interest? Committees are the place for such vital and essential links, such sources of indispensable information and expertise, such wellsprings of feedback and evaluation. Faculty and students may have voice and vote on any committee. They can accept and discharge assignments pertaining to the committee's responsibility. Committees can reasonably satisfy constituents with a sense of representation and communication without compromising the independent objectivity of the trustee body, its greatest asset.

An examination of conventional committee structure indicates a necessary concentration upon the institution for which the board is responsible. The board's own organization and practice tends to be overlooked. With the possible exception of a nominating committee for new trustees, matters affecting the board are treated incidentally, if indeed at all.

A few boards are taking dead aim at themselves by creating a committee on *board affairs.* An important part of its responsibility is the careful development of criteria for board membership and the search for and nomination of qualified trustee candidates. Equally important duties are seeing to it that new trustees adequately understand and accept their duties and are effectively incorporated into the board; trustee performance is monitored through attendance records, performance of assignments, and peer approval; board collegiality is maintained and promoted.

The board affairs committee can also be responsible for continuing the process of self-study and self-evaluation undertaken by the use of the AGB *Self-Study Criteria* or similar procedures. It is essential for optimum organization and performance to have a board affairs audit of what progress the board is actually making toward its own goals. Is the agenda still on track? What happened to the recommendations of the development committee of last January? Why are we behind schedule on the committee charters? Why was the feedback on the last meeting so positive. What did we do right?

Several years ago the board of trustees of a major public university found itself so fragmented by its own committees that none of the principal business was conducted by the board itself. The problem was attributable to the fact that matters came to the committees first. In effect, the committees met the agenda. After it was decided that all issues and business would come to the board as a whole first and the agenda established thereby, there were no further problems with the committees.

Meetings are Interesting and Effective

There is no excuse for poor meetings. As a matter of principle, trustees should be no more tolerant of dreary, time-wasting sessions than indifferent to sound accounting procedures. Organization, homework, and preparation lead to meetings of satisfying achievement.

Richard T. Ingram offers an excellent contrast in the conduct of board meetings "A properly organized and conducted meeting should be a time to weigh and test alternatives; an exercise in creativity where good ideas are made better; a forum calling for candor with grace; an opportunity to demonstrate commitment by all present to the decisions made and the objectives pursued; a time for renewal and rededication to the board's reason for being; a reminder that institutional purpose comes before personal need or ambition. By contrast, an unorganized meeting allows a few personalities to dominate; lacks purpose or focus; provides a platform for ego trips; becomes boring, divisive, and irritating; and, worst of all, is counterproductive to the institution's well-being."

There are three kinds of meetings the board should be involved in—regular business, executive session, and seminar. Committee sessions may be modeled in accordance with the board format. All meetings should be governed by the agenda plan previously discussed. Determining the nature of the meetings is another demonstration of the total importance of the board's agenda plan derived from the mission and goals of the institution. The process should never be allowed to degenerate into meetings for the sake of meetings. Every board or committee meeting must have a specific, written purpose; must have its own agenda and schedule, and must contribute to the board's long term strategy.

The workhorse of the board is the regular business meeting. Its frequency should be governed by the agenda plan. Not how often have we met in the past, but what must be accomplished by the board between now and the accreditation visit? What meeting format will insure a job well done? Looking at meetings this way has caused some boards to add meetings, others to contract the number but extend the duration. Such decisions have to be made obviously in the light of resources of time, distance, energy levels, and budget. Wise boards arrange these factors to get the best shot at priority targets and do not hesitate to generate additional resources where necessary.

The duration of business meetings is set by the attention and immobility span of mortal men and women. Three hours is the longest that even the best meeting can run without operating on diminishing returns. Two hours is preferable. Breaks and recesses are essential. Where it is necessary for board and committee sessions to extend over two days, no one period should be permitted to overstep the specified limits. It strengthens the use of time to assign definite minutes to agenda items. Priorities for discussion and action are established and maintained. Finding insufficient time usually indicates weakness of preparation or a loss of control by the chair. Such matters can always be referred back to committee for refinement. Under no circumstances should a board be asked to approve an item of business placed before it on the same day a vote is requested. At least one meeting in advance is required for fair and appropriate action on anything but routine business.

The success or failure of the meeting is dependent upon the effectiveness of the chair. The person occupying the chair must know the job, the agenda, the people, and the virtues of a firm hand and a light touch. It is a help to the chair to review these questions before, during and after the meeting:

- Is the pre-meeting package—including purpose, agenda, schedule, minutes, reports, and logistics—in the hands of the members?
- Do those trustees and others submitting reports know what they are to do, understand the time allotted to them, and have their presentations rehearsed?
- Are the physical arrangements proper and in order? Have logistics for travel, lodging, meals, and other conveniences been well orchestrated? Will documentation required by each trustee during the conduct of the meeting be at his elbow?
- Does the chair have a going plan for insuring maximum participation by the members? Will the executive dominate the input? How many trustees will speak up? Who needs restraint? Encouragement?
- Is it clearly understood that matters will be brought to decision with recorded votes?
- Will the session begin and end at the proper time?
- Is there provision for reviewing the effectiveness of the meeting by agreed upon evaluation?

The executive session provides a board with a meeting tool of selective but sharp value. There are times when the board must cope with sensitive personal issues—the compensation and evaluation of the executive, faculty and staff appointments, confidential matters affecting students and their families. Or the board may simply need a little time for itself away from the large family. Agendas are crowded with complex items. A trustee is forced to consume more than he can digest. A large board plus allied associates is a crowd. A senior trustee of long experience once said "I never know what I think until I can talk about it." An executive session from time to time provides opportunity for the board to knit itself together and sort out its corporate thoughts. It is a device, however, to be used sparingly, with careful rationale, and never for formal action.

The seminar or retreat meeting is neglected to the deprivation of board organization. No standard recommended for information flow, agenda planning, or other demonstrations of board health will ever be met by business meetings alone, however, numerous. Business meetings are far "too busy" to establish collegiality. The business meeting by its very nature precludes serious reflection, in-depth education, and long range planning. It is as important for small boards to avail themselves of the retreat principle as large.

Of all board groups, theological schools ought to have the firmest hold on the great Biblical principles of withdrawal, prayer, and renewal. Unfortunately, too few make use of their spiritual heritage. Every excuse is offered: too much time, too much money, too much work. "We all know each other anyway.' All stand in marked contrast to the weaknesses pinpointed in the *Self-Study Criteria.* At least one board meeting per year should be devoted to a seminar-retreat session. The time period allotted should be 24 hours and, in some cases, 48. The shrewd observation has been made that "improving board meetings means improving trustee performance" (*Handbook of College and University Trusteeship*).

Thomas J. Savage, S. J., sees that "a major part of the [board's] learning process takes place in a reflective retreat setting." He indicates certain steps the board should take to insure the success of the process. There should be agreement on the underlying assumptions. An institutional profile and board assessment should be compiled. The board as a whole should give formal approval with full commitment to participate. The content and process should be carefully planned. Two or three board members ought to be oriented and trained as internal facilitators. Professional, mentor-type third parties should be employed. After the successful conduct a vigorous follow-through should be executed.

Board after board utilizing the seminar retreat reports the procedure becoming the cornerstone of its organization, its practice and continuing development.

Progress Is Measurable

Progress evaluation is dependent upon the *advance* determination of missions, goals, agendas, time lines, priorities, and resource allocations. Measuring movement toward a nonexistent objective is an exercise in futility. Evaluating the performance of people without a prior definition of mutual expectations is an injustice. With the proper organizational grounding, the board can make valid judgments through the productive monitoring of performance.

A good, basic progress question the board can raise is, "Are we doing what we said we were going to do?" Such a query presupposes that there is a purpose, that the purpose has been publicly stated, and that a plan of action has been laid out. Furthermore, it implies that the process is rewarding rather than punitive. Like *agape,* healthy evaluation "keeps no score of wrongs; does not gloat over other men's sins, but delights in the truth."

Key factors in the monitoring of progress and the evaluation of performance are worth emphasizing.

First, the board must have a policy of self-evaluation, implemented regularly. Is the institutional vision and mission still valid? Do the goals continue to hold? Do the bylaws need revision? What does the board affairs committee have to say about attendance, participation, and trustee effectiveness? How do faculty and students appraise us? What do comparisons with sister institutions tell us? How do donors, auditors, accreditors rank us? How do we see ourselves as a collegial unit? These and other questions indicate that the board puts itself on the line before judging others.

Regular evaluation of the president's performance brings issues of compensation, leadership style, program effectiveness, and board support to the fore. An effective executive seeks such appraisal. The board receives a practical education in what it takes to get things done.

Finally, progress measurements and evaluative procedures must be applied throughout the institution. Did the changes in the curriculum affect the enrollment as anticipated? Why are fewer graduates ordained and in congregations than last year? Are we reducing our energy costs as planned? People responsible for achieving desired results need somebody to whom they can report. A properly organized board serves this vital purpose. Even if the board takes no particular action, the process of reporting, informing, communicating, and assessing contains its own value.

Offices and functions, apparently routine in nature, can provide major assistance to evaluation if used imaginatively. The annual financial audit, confined to the conventional written report, supplies little but legal cover. If, however, the outside auditor is offered a give-and-take session with the board in which the question is raised, "What can be done to improve our financial and accounting performance?" much can happen. The subsequent action taken may have little to do with finances but a great deal to do with planning and organizing.

Minutes of board and committee meetings look innocuous and dull on the surface. So do other reports. This recorded documentation, however, is *the* information for progress evaluation. All this material belonging and related to the board is under the responsibility and control of the secretary of the board. As the chair, not the executive officer, is the agent of the board, so the secretary, not the administration, is the director of the board's information. It is time that trustees on the prowl for improved knowledge rehabilitate the authority and power of the secretary. Thus equipped and accountable, the secretary may assure the board of such services as the fulfillment of legal requirements; recording of official documents; accurate, legal, and readable minutes of all proceedings; format and distribution of reports; dissemination of agendas, schedules, and deadlines; directories and background materials; pre-meeting and post-meeting packages; physical and logistical arrangements for board activities.

To accomplish such tasks, the secretary needs administrative assistance supplied by the executive and under his direction. Some boards have found it beneficial to ask the executive to assign a staff or even a faculty member to part-time service with the board's affairs. In this way, both the officers and members of the board may receive those services required for efficient governance without disrupting the executive's management authority.

Variations of Board Structures

Theological school boards are not the sole masters of their destinies. Even seminaries with sufficient independence to be chartered directly by the state are bound by obligations to church polity, accreditation bodies, and to professional standards. Many others are, in effect, advisory. Having no final statutory authority of their own, their actions must be referred to higher headquarters for ultimate resolution. Such bodies tend to be the boards of most Catholic institutions, schools of theology of universities, and coordinating boards of a variety of consortia and associations. It is tempting to assume that the mandate of these advisory bodies varies so radically from those with genuine governing powers that principles of board organization do not apply, or if they do, differently.

This is not the case. From the point of view of board organization the only difference lies in the content of the charter. That document should spell out, along the lines of a state charter, the substance and shape of the advisory board's constitution. This is not always the way things are. Advisory board or coordinating board members are seldom knowledgeable about the contract or charter under which either they or their board operate. Unfortunately, the sponsoring body or authority is no clearer. The result is the organizational equivalent of trying to stand on a hammock. The sponsor fears the board will overstep its bounds. The board worries that its decisions will be overruled arbitrarily and its efforts wasted. Not as much is accomplished as could be.

The problem is not the constitution or

mandate of the board. It is the failure of the advisory board, like any marginal board whatever its status, to take its charter seriously, to properly define its mission, and to set up goals against which progress can be measured. One wise Bishop Ordinary, after a jumbled period of decision making, reworked the understanding, or charter, with his advisory seminary board to the effect that, even though the authority was completely his, no action would be taken without prior information and consultation with the board. This type of negotiating and contracting, in writing preferably, leads to a charter for the advisory or coordinating board. Upon this charter foundation, the board can then construct the board organization previously described.

Whether the production of the board is advice, coordination, informational studies and exchange, forums, or constituent soundings, the seven verities of information flow, agenda building, leadership, size/composition, committee structure, effective meetings, and progress measurement, undergirded by mission and bylaws, apply with equal force. As no trustee should accept membership on a governing board without a scrutiny of the charter and bylaws, so no trustee should join an advisory board without a similar examination. The principles of board organization are a constant. If anything is to vary, let it be the circumstances.

"Hard-pressed and Anxious: Seminaries Face the 80s" (*Christian Century*). It is the assumption of this chapter that boards of trustees, organized in terms of mission, can transform the situation. While impressive differences in size, composition, style, tradition, and ecclesiastical accountability exist, a common set of board organization principles, Biblically based, may be applied universally.

Boards do not have to deal with every institutional question. Only a few are crucial to good governance. By concentrating upon seven "commonalities"—information, agenda building, chair executive partnership, size and composition, committee structure, effective meetings, and progress measurement—the board can organize itself to fulfill those responsibilities established by its circumstances. To its success, nothing is more contributive than its collegiality. A variety of technologies and outside resources, many of them AGB in origin, are available for assistance. Vision, dedicated work, and goodwill supply the rest.

Self-Review Questions

1. Do all the members of your board feel free to ask questions about anything pertinent?
2. Is the relationship of your board chairperson and the chief executive characterized by harmony and openness?
3. Has a board profile ever been prepared showing the various constituencies and other groups that are represented, and also the variety of skills and backgrounds?
4. Does the executive committee operate within clear limitations?
5. Do meetings begin and end on time?
6. Are the questions raised settled by recorded votes?

Suggested Further Readings

Richard T. Ingram, "Organizing the Board," in *Handbook of College and University Trusteeship,* San Francisco: Jossey-Bass, Inc., 1980.

Charles C. Abbott, *Governance: A Guide for Trustees and Directors,* The Cheswick Center.

Robert K. Greenleaf, *Trustees as Servants,* Center for Applied Studies.

"Hard Pressed and Anxious: Seminaries Face the '80s," the *Christian Century.*

CHAPTER FOUR

Dayton Hultgren
and Mary Bigelow McMillan

TRUSTEE SELECTION, RECRUITMENT, DEVELOPMENT, AND ASSESSMENT

Building a strong board is a means toward strengthening the whole church. Initially, trustee recruitment may be the responsibility of the CEO and the board chair; later of a board affairs committee. A board profile can help plan recruitment strategy. Candor is crucial in extending an invitation to join the board. Prospective trustees should be given full answers to their questions and, once recruited, carefully indoctrinated in the school's mission and the board's policies. Periodic evaluation can keep a board vital.

The diversity of seminary settings, relationships, and structures sometimes serves as an excuse for not pursuing basic ways boards of trustees may be improved, ways common to all that are not so limiting as to preclude accommodation to the diversity of particular institutions. A seminary located in a major urban area has many potential trustees at its doorstep. Meetings of its board can be frequent and of relatively short duration, with greater involvement of trustees in the ongoing life of the school. Another school, located in a more rural setting, may have to schedule less frequent board meetings of greater length because many of its trustees live some distance from campus. For it, improved trusteeship requires extensive planning and effort by both board officers and the chief executive. Similarly, certain consequences for board development flow from the difference between a seminary that is fully related to a denomination and one that is constitutionally independent. Still another set of consequences result from the difference in board structure between one with strong standing committees, each headed by a vice-chair of the board, and one with a strong executive committee.

This chapter draws on the experience of the authors as president and board member at United Theological Seminary of the Twin Cities, which recently accomplished an almost total change of membership on its board of trustees. Established in the Twin Cities area in 1960 by the merger of two seminaries situated in rural settings, United Theological has been able to attract a board of trustees made up of community and church leaders in Minneapolis and St. Paul.

Though United Theological Seminary, chartered as an ecumenical school, is young and has had consequent opportunities to experiment, our experience supports the conviction that seminary boards are not so different from boards of other institutions. There is, however, a different emphasis which belongs specifically to the seminary. In Christian terms, this emphasis is expressed through the New Testament vision of striving for unity of the Spirit for all persons while acknowledging their differentiated membership in the Body of Christ. Two major implications for trusteeship may be drawn from this emphasis.

One is that while the functions of boards of trustees differ from those of faculty and administrators, continuing effort must be expended to overcome the sense of separation among them. Differentiation must be held in tension with unity.

Second, while the strengths and talents of trustees enhance the seminary itself, individual board members may provide a strong liaison with respective churches and communities. Trustees can become as vital to the ongoing life of churches as the faculty who hammer out theological issues and the students who prepare for leadership roles in them.

Thus, the building of a strong seminary board of trustees is a means toward strengthening the whole church. And trustee selection, recruitment, development, and evaluation are worthy of major and continuing effort.

Building Blocks of a Strong Board

Selection: Sufficient time and thought are seldom given to this phase of building a board. Hence, a major handicap is placed on the chances for success. By success is meant recruitment of board members who are active and enthusiastic promoters of the seminary in their churches and communities while investing time, money, and talent in the school.

To assure success in selection, homework is necessary by both the seminary and those individuals identified as potential board members. Selection begins, therefore, with an examination of the job to be done and an analysis of the kinds of persons needed to do it. Who carries the responsibility of doing this homework depends upon where the institution is in the process of building its board. Initially, it may be carried by the chief executive and the chair of the board, or the CEO and a representative of the church hierarchy. Later, this homework ought to become the responsibility of a board affairs committee or a committee on trustees working with the CEO and the seminary's long-range planning committee.

How is trusteeship defined in a particular institution? What are the board's powers as defined in the bylaws? What is the board's relationship to the CEO, administration, faculty, and students? These are some of the questions that need to be addressed. The answers will differ from seminary to seminary, but they provide major understandings of an institution's self-perception. Even the dullest of bylaws make interesting reading to someone searching for the soul of an institution. History is present in bylaws, a history bearing on the future. That history must be sought and appropriated by those intent upon strengthening a board.

What does the seminary believe its mission to be in the light of its publics and its history, as well as this moment in its history? Has that mission been developed and stated in a form that is satisfactory to its various constituencies? What are the continuing problems and present needs of the seminary that the trustees must address? These are not easy questions to answer, yet to select trustees without clear answers is to invite danger. The most splendid candidate needs a platform on which to stand. Without it, dissatisfaction comes quickly. The seminary must offer that platform.

Next, it is necessary to construct a design for the ultimate composition of the board and, consequent to that, a forthright analysis of the strengths and weaknesses of present board membership. Such a board profile analysis is an extremely helpful exercise for all concerned. Against each member's name go age, gender, whether lay or clergy, race, and professional background. To this can be added an attendance and giving record as a test of commitment. In an ecumenical seminary an important factor is denominational status. A review of such a profile reveals needs, areas out of balance, or missing professions and skills.

An important consideration in developing a plan for the board is the issue of faculty and student board membership. Full membership of faculty and student representatives is one way to build a close institution since faculty and students will be apprised of all issues coming before the board. However, it cannot be assumed that with this provision for student and faculty trustees important matters can be kept confidential or that clear conflict of interest situations will be avoided. As a young school, United Theological Seminary has found full board membership for faculty and student representatives to be valuable. Each institution must weigh the relative merits of such representation for itself. It is possible that faculty and students better serve as board committee members where their advice and counsel is important, leaving the final vote on policy matters to the constituted board in which trusteeship has been vested.

Since no major development can be accomplished quickly, a time frame and related strategies must be carefully fashioned. As much as five years may be required to complete the plan. Bylaws may need to be reconsidered. Should existing terms of office be modified? Should expectations related to committees of the board be more clearly stated? Should the size of the board be increased, even temporarily, to allow for the inclusion of more laity? The seminary, historically, has not involved laity to its greatest advantage. Do those involved clearly understand the meaning of trusteeship? Final responsibility for the success or failure of a seminary ultimately rests with its board of trustees. Since that is the case, those involved in the selection process must search out persons most able to accept that responsibility. While the board profile needs to be as broad and inclusive as possible, one must never lose sight of the fact that all persons chosen for board membership must be willing to accept and exercise their responsibility.

Everyone has friends or acquaintances who in a general sense may be candidates, but are they needed and ready for membership at this time? Answering this question is the task of research. Data must be gathered on each candidate's talents, educational and career background, community and church involvement, knowledge of educational institutions, and others' perceptions of the candidate's ability. To this data must be added information on personal and family relationships, philanthropic record, and style of functioning on other boards.

Is this person a "comer," ready to prove himself or herself on this board? Is this person newly retired and ready now to make a significant commitment to the well-being of the seminary? Does this person have an awareness of his or her own spiritual and religious pilgrimage? This last question is often viewed as dangerous. "We'd scare them off if we got into questions like that" is often heard at meetings of CEOs. If the seminary strives to live toward the unity of the Spirit while acknowledging the differentiated membership in the Body of Christ, does it not have the obligation to seek trustees with an awareness of their own religious pilgrimage and to find ways that support that continuing pilgrimage? It certainly does, and these are the candidates who will bring their gifts most enthusiastically to the work of the seminary.

Recruitment: When research has led to conclusions about talents and skills needed on the board and individuals who match the needs, the time has come for recruitment. During the course of the selection process, it is likely that some initial steps in recruitment have been completed. It is important that the individual have an acquaintance with the school through a visit to campus in the company of other trustees, meetings with members of the campus community, and gatherings with other trustees off campus. Also, it is desirable to involve the candidate in some aspect or task of seminary life. Perhaps there is a special program that needs an outside advisor or member of a planning committee. Perhaps a personal invitation can be issued to attend a special event, or advice can be solicited in an area of the individual's special expertise. Imagination is needed to find such opportunities. Out of this process will come a determination of genuine interest in the seminary—its mission, problems, programs, and personnel.

The invitation to serve on the board should always be extended in person. A good trustee deserves the courtesy. A good seminary is worth the time and energy it takes. The conversation should include a clear presentation of the seminary's needs and why this person has importance for its future. Requirements of time, attendance at meetings, and committee assignments must be explicit. Do not imply that a small time commitment is acceptable when a large time commitment is needed. The length of term and expectation of periodic evaluation should be discussed. Financial support, both giving and asking, and its relationship to the present state of the seminary's financial affairs must be reviewed. The relationship of the board to the seminary, particularly the board's ultimate responsibility for the seminary's well-being, must be understood from the outset. Though there may be much to absorb at this point, the recruiter must be equipped to handle questions. Failure to be honest about the institution in this conversation can result in a later feeling on the part of the new trustee of having been misled.

Some questions, however, may be answered better with materials left behind for later perusal. This also provides the advantage of permitting the candidate time to consider the decision. Leave material to be read, but not too much or it will remain unread. A short history of the school, its relationship to the sponsoring religious body, the mission and philosophy statement, a summary of long-range plans, essential financial reports and balance sheets, and a roster of present trustees are sufficient.

Offer a specific time for expecting a decision; follow up with a note restating the invitation and expressing appreciation for the opportunity of the visit. If these steps are followed, even if the prospect should decline the invitation, the seminary will not have lost a friend; and conditions will have been enhanced for a stronger relationship in the future.

Development: The training and orientation of trustees, new and old, is an ongoing process, and takes place in a variety of ways. Along with a written notice of their election, new trustees can be sent the past year's minutes.

An orientation session should be scheduled as soon as possible between new trustees, individually or as a group, and the CEO and/or chairperson of the board. Plan at this session to answer their questions, not overwhelm them with facts and figures. Allow time to get acquainted, and find out what has drawn them to trusteeship. The board affairs committee, which selected and invited the new members, needs to share its own vision of the common cause.

This is the time to give out the trustee handbook and to encourage everyone to become familiar with it. The handbook, updated annually, should include all policies set by the board and administration, a mission and philosophy statement, a board roster with individual profiles, committee assignments and responsibilities, and budget summaries. AGB publications on the role of trustees are an excellent addition. The aim of this orientation is to give new trustees the confidence to participate at their first board meeting and to draw them into the seminary community. Since participation includes financial support, discuss this topic and give each one a pledge card.

Informal get-acquainted opportunities are important for board development. A yearly board retreat combining business, worship, and relaxation is an excellent way of helping new trustees to function effectively. The new trustee should again tour the campus, now seeing it through the eyes of responsibility. Opportunities to meet members of the faculty, student body, and staff will be appreciated, as the new board members feel more and more a part of the seminary family.

New trustees will participate in periodic board development sessions. Those already on the board can benefit from, and will secretly welcome, continuing review. People want to be challenged. They are attracted to a noble cause. They want to be part of a group that is competent, knows what it is doing, and has a sense of direction. They seek a positive environment. Therefore, the task of trusteeship must be defined in concrete terms, with precise responsibilities clearly outlined within a specific time frame. Much of trustees' effectiveness in achieving a set of goals depends upon what they are asked or not asked to do, upon what information is shared or not shared with them, and upon what recognition results or does not result from their efforts. Be frank about high expectations, honest about the institution, warts and all, and straightforward in asking the right person to do the job. Since board responsibilities range from academic and student affairs to plant maintenance, financial aid, and development needs, there is ample opportunity to place trustees in positions of responsibility most suited to their varying abilities and interests.

If it is true that people want to be challenged, it is also true that they want to be thanked. Expressions of appreciation by letters, shared credit in reporting, and indications of how the completion of one task opens the way to additional accomplishments are potent tools in the development of trustees. A seminary must find ways, both formal and informal, official and unofficial, to recognize trustee contributions to the life of the institution.

Beyond thanks, trustees enjoy knowing their talents are used, derive satisfaction from recognition of their accomplishments, and profit from the sense of community with a significant peer group. Their involvement gives them an opportunity to make a difference, to care and make that caring count in the life of an institution judged important by both church and community. Their involvement causes reflection on their own religious pilgrimage and contributes to the maturing of their religious experience. Moreover, they have satisfied a deep-seated need to be consumed by a large cause, a challenge that encompasses.

Finally, the institutional posture for development of trustees should be one of inclusion rather than separation from other constituencies. Although faculty and students may not be voting members of the board, inclusion of faculty, students, and staff representatives at the annual board retreat and on special committees is valuable. Students who graduate to immediate peer status with business and professional men and women need to associate with them in the course of their seminary experience. Overcoming the unwarranted separation between clergy and laity, business and academe, liberal and conservative, female and male, rich and poor, and differing ethnic backgrounds is a continuing responsibility of the seminary. Trustees who are active in their own churches provide faculty with windows to the sensitive practical issues facing these churches. And the development of and appreciation by faculty and students for fiscal matters and public concerns enhance their sense of partnership and engender harmony in the entire seminary community.

Evaluation: This process exposes the disaffected and supports those who have growing commitments. Recognize that no matter how carefully selected, trustees may lose interest because of changing circumstances. If this happens, an honest attempt must be made to probe for the reasons. Has the seminary staff been faithful in providing the opportunities for education and development? Have the skills of particular trustees been utilized? Has the expectation of mutual evaluation of performance been satisfied? Has the CEO been open and approachable to individual trustees? Has the necessary distinction between policy, the task of the trustees, and administration, the task of the CEO, been maintained in the context of a growing sense of full partnership between them? Has sufficient appreciation and recognition been shown?

Even though circumstances discovered

through evaluation may lead to a revitalized relationship, there are times when termination of a person's membership on the board is necessary for the strength of the whole board. Generally, allowing a term to end will solve the problem. Reelection to a second term should never be considered automatic. In the unusual case, an open and forthright discussion of the reasons for termination and suggested resignation may be necessary. If this can be coupled with thanks from the board and from the CEO for the efforts that have been expended, it may allow the displaced trustee to remain a close friend of the school.

It is never easy to see ourselves as others see us. Although this chapter has concentrated on the individual trustee, there are times when an objective look at the whole board is needed. The self-study materials and the Board-Mentor service developed by the Association of Governing Boards are valuable tools for strengthening overall board performance.

It should be evident by now that the process of selection, recruitment, development, and evaluation of trustees is cyclical. A probing evaluation of both errors and successes becomes part of the next selection process. In fact, evaluation is part of the selection process, just as selection precedes and is part of the recruitment process. Recruitment both precedes and accompanies development. The process of building the board of a seminary is simple, critical and ongoing.

CEO's Responsibility

The chief executive officer is the major staff resource to each trustee and to the board. If you hold that responsibility, you must assume that every trustee wishes to succeed at trusteeship for reasons that are both public and private. If a trustee does not succeed, it is likely that you have failed to provide adequate or appropriate staff support. The environment for effective trusteeship proposed here will become a reality only to the extent that you work to create and support it.

Protect your trustees from involvement in details, small tasks, and minor problems. Don't protect them from the major issues you know must be faced. Forthrightness and integrity are foundation stones for effective work with trustees. All facts must be presented with clarity, accuracy, and relevancy of the task to be accomplished or matter to be decided. Trustees cannot be expected to tolerate errors and misinformation.

Meetings must be well-planned and executed. The agenda must be alive and cover essentials. Committee tasks must be clearly stated as to goals, responsibilities, deadlines, staff support, and sources of additional information. Trustees must never be made to feel that their time is being wasted.

Provide access to staff for your trustees, but not the undisciplined access that encourages unnecessary trustee involvement in day-to-day staff work and problems.

Nothing is more important to you and your future than a successful relationship with your board. They are the only group who share your total institutional perspective. They are your trustees because of their abilities for this task and their dedication to your success as CEO. Among them will be your most valued friends and confidants. Accept their help, support them in their work, and thank God for the privilege.

Self-Review Questions

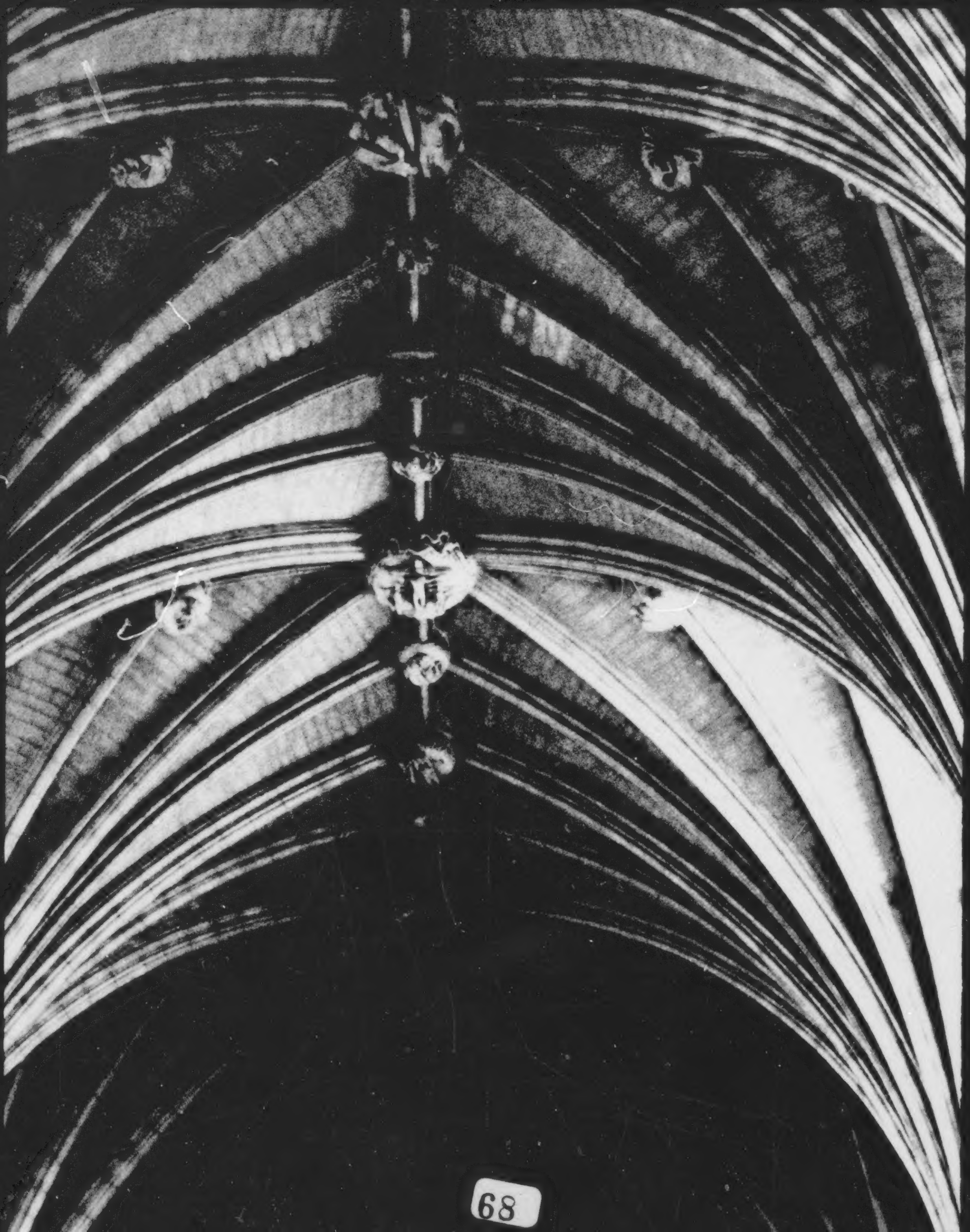
1. How does the Christian concept of striving toward the unity of the Spirit while acknowledging differentiated

membership in the Body of Christ inform and enrich the distinctive tasks of trustees of a seminary?

2. Before choosing the person who will be invited to be a trustee, has the job to be done and the type of individual needed been thoroughly reviewed? Has extensive data been gathered on the candidate under consideration?
3. When approaching a candidate, is the importance of the invitation reflected in setting an appointment, in making a clear and compelling presentation and in providing the most pertinent materials?
4. Are new trustees given continuing opportunities to foster close relationships with other trustees and a sense of partnership with faculty, students, staff and graduates?
5. Does the CEO include trustees in decision making on major issues and protect them from involvement in minor problems and details? Is "thanks" a word in frequent use?

Suggested Further Readings

1. Robert L. Gale, *Building a More Effective Board.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1978.
2. R. K. Greenleaf, *The Seminary as an Institution: The Work of the Trustee.* Indianapolis, Indiana: Lilly Endowment, Inc., 1980.
3. R. K. Greenleaf, *Trustees as Servants,* Cambridge, Massachusetts: Center for Applied Studies, 1974.
4. Richard T. Ingram and Associates, *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass, 1980.
5. John W. Nason, *The Nature of Trusteeship.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1982.



CHAPTER FIVE

Jesse H. Ziegler

TRUSTEE CONDUCT

However a board is structured and recruited, in the end what counts is how its members conduct themselves. The roots of trustee behavior lie in the value structure of the individual. Barriers to effective trustee conduct include too many board memberships, insufficient commitment, orientation to the past. Responsible trustee conduct demands generous personal contributions, use of influence to secure contributions, avoidance of conflict of interest and openness regarding its possibility, supporting the chief executive, helping formulate or revise mission statements, monitoring financial operations, safeguarding donors' intentions, and guaranteeing fair administrative policies to all.

The final and ultimate test of the usefulness of a governing board is always the conduct of the individual members in relation to their role as trustees. No matter if the board has a faultless structure or if the members have been recruited to provide power and commitment—it is how the members conduct themselves in the trustee role that really counts. In this chapter we will examine the roots of trustee behavior, some barriers to effective trustee conduct, and the characteristics of responsible trustee conduct.

The Roots of Trustee Behavior

Value structure: How a person functions as a trustee is deeply rooted in that person's value structure. The person to whom material possessions and wealth are the marks of personal worth, while generous support of enterprises difficult to evaluate are marks of soft-headedness, will cause problems.

HB has been remarkably successful in astute management. She has always seen her good income as a means of accomplishing humanitarian ends to which she is committed. She believes generous giving of means to good causes enriches the giver.

It is the kind of value structure seen in HB that is the root of helpful trustee behavior. That value structure will shape the trustees' approach to every issue in which the board is involved.

Previous experience: Experience a trustee has had in the past shapes present behavior. Having been part of a group that was responsible for a successful church or educational enterprise gives confidence and optimism to the trustee's present approach. Experience of committee or task-force leadership that was appreciated and that met goals prepares the trustee for responsible functioning. Conversely, sharing responsibility for an enterprise that failed, or participating on a board where morale was low and little was accomplished, leads to low trust levels and reluctance to take responsibility. Present behavior is deeply rooted in past experience.

Personal and unknown commitments: Private and unknown personal commitments may determine trustee behavior, and are most unfortunate when their direction is counter to that of the institution. Such commitments may be honorable but unfortunate for trustee behavior.

WW was an influential member of a denominational committee planning long-range strategy for theological education which included elimination of ______ Seminary on whose board he served. ______ Seminary was in a development campaign where trustee help was needed.

The privately held commitments of WW influenced all his behavior as a trustee. One may question whether he should have accepted the trustee election. Those responsible for choice of board members should be sure that existing commitments are known. If they are, it is possible to use the person's strengths and guard against distortion of judgment.

Barriers to Effective Trustee Conduct

Some conditions are such severe barriers to effective trustee function that they need to be identified. Corrective steps should be taken in order that the board may fulfill its mission and responsibility. Most severe barriers will be identified.

Scalp on the belt: *PT lists his trustee membership at ______ Seminary midway in a list of 18 trustee memberships. He is proud of the number and importance of these trusteeships. He attends at least a portion of enough meetings to maintain membership but contributes minimal input at the meetings.*

Collecting trustee memberships as a form of scalps on the belt or notches on the gun is a barrier to effective board function. A chief executive officer deserves the minimal productivity he gets for having recruited too much on the basis of the length of the "Who's Who" sketch. Ego-building is counterproductive to effective board function.

Lack of commitment to school's mission: *LW, president of a public relations firm, was elected to the board of ______ Seminary. He repeatedly says the seminary should increase its program offerings, perhaps give less attention to ministry.*

We would like to assume that trustees understand, believe in, and are committed to the basic mission of the school. This is not to rule out critical evaluation of the statement of mission for the contemporary scene. An institution should not, however, need to suffer the blocks to effective function from a trustee who has either lukewarm or no commitment to the mission of the school.

No investment: *RH, a clergyman from a large urban parish, is in his eighth year of service on the board of ______ Seminary. Although he attends all meetings, there is no evidence of investment of thought and time in the affairs of the seminary.*

An institution needs trustees giving thought to the mission and energy to its development program. Merely to attend meetings is not enough. Agenda materials should be studied carefully by trustees prepared to help shape the plans of the school. Failure or inability to do so means ineffective trusteeship.

Not future-oriented: *PG is a 71-year-old bishop in his tenth year as a trustee of ______ Seminary. Every issue he faces as a trustee is dealt with in the perspective of how things were done when he was in the seminary and the traditional shape of seminary education in his church.*

A very serious barrier to effective trusteeship is the inability or disinclination to face issues of theological education in the light of the future faced by ministry/priesthood and the church. Tradition and history have much to teach us; to ignore them means unnecessary suffering and loss. Yet to be bound by them and not to do all in one's power to anticipate the future may well lead to the death of an institution that a more future-oriented leadership might have saved.

Personal opacity: *WJ is the 60-year-old head of a church judicatory who is in his fourth year as a trustee of ______ Seminary. He is an opaque person—almost impossible to read. He seems to have no trouble making decisions as a trustee, but the positions he takes seem unpredictable and inconsistent.*

Personal opacity in WJ is a genuine barrier to effective trustee function. That alone would cause difficulties. In WJ's case, as in those of so many other persons who "play their cards close to their chests," there are some hidden agenda items at which WJ is working. A well-defined hidden agenda item is to move the denomination to the right; a less well-defined item may well be to achieve a power position in that new stance of the denomination. Such agendas mean participating in various coalitions and building up relationships that can be used later. All of this dictates positions and behavior that are very confusing to the president and his trustee colleagues.

Personal agenda imposed: *A strong new member of the trustee board of ______ Seminary, BD is a vice president for finance of a medium-sized company. He is convinced that management based on cost-accounting is the only way to operate an enterprise.*

The seminary may be greatly helped by BD as a trustee. Right now, because of his strong personality, his commitment to cost-accounting, and his insistence on measuring the cost of every aspect of the seminary program, the chairman of the board is having some difficulty in getting ahead with other matters important to the school's mission but not directly related to BD's primary interest and area of competence. His strength and vigorous imposition of his personal agenda are acting as a barrier to the most effective function of which he is capable.

In this section we have seen barriers to effective trustee behavior present in persons, some of whom may be deeply committed to their institutions, in other cases unfortunately chosen for their role. A skilled chairman, working with the seminary CEO, will work to remove some persons; in other cases the chair and CEO will find ways to use more effectively the talents brought to the position of trustee.

Responsible Trustee Conduct

What are the responsibilities which trustees owe to their seminary? How does a trustee assess his/her conduct to be assured of doing those things that are appropriate and not doing those things that are harmful or inappropriate?

Represent and interpret seminary favorably. Assuming that favorable representation can be truthfully made, a trustee does this to the seminary constituencies. Since seminaries are primarily involved in educating professional leadership for the church, the program needs to be favorably interpreted to all kinds of ecclesiastical groups that are potential fields for employment of graduates or are potential sources of students and of financial support. The supporting, favorable word from a trustee helps the work of recruiter or development officer mightily. In some cases it is favorable representation to the community.

RB has a great deal of influence in the city government and in community agencies. He is an active member of the ________ Seminary board. He is very active in interpreting the seminary to the community.

Trustees will be responsible for definition, clarification, and interpretation of the central mission of the school to both faculty and students. Legally and structurally the trustees are the governing board, and as such their favorable representation to all these constituencies lays a stable foundation for a strong school.

In a broader sense the trustees interpret and represent the seminary—what it is, what it cares about, what it does—to the larger society. That larger society thrives or crumbles largely on the values it espouses—its concern for the needy, the dispossessed, the underprivileged. The values inherent in the work and mission of the seminary are basic to the well-being of the larger society. Many believe that the high powered productive system that has produced the great wealth of western civilization is itself heavily dependent on values of honesty, trust, industriousness, the inclination to listen, to care, which are deeply rooted in Judaic-Christian religion taught in the seminaries. The responsible trustee will interpret these values to the larger society in which her/his life is involved so that the service motif becomes a much larger actor in that arena.

Contribute Generously to the School

Generous private and family contributions are a mark of responsible trustee conduct. The trustee who is serious about trusteeship—no matter how generous her/his contributions to other church or charitable causes—makes substantial annual gifts (somewhere from $100 to $1,000 might well be the norm, although in a few cases $5,000 or $10,000 annually will seem more appropriate). Instead of a set annual commitment a trustee may establish a percentage allocation of personal philanthropy to the seminary. Responsible trusteeship also implies leading in special financial efforts launched by the institution. It is reasonable to expect members of the board to be pacesetters within particular categories of donors (business executives, clergy, educators, special benefactors) in fund-raising campaigns (the range might well be anywhere between $1,000 and $10,000,000). This pacesetting conduct can be one of the most rewarding—to both the spirit of the trustee and the effort of the seminary—functions performed by a seminary trustee. Normally such gifts can be most helpful if the giver permits use of his/her name and a brief statement of the reason for the gift.

Use influence to secure contributions. The president or chairman of a company who serves as trustee to a seminary is most helpful in interpreting the rewards of a major gift to a peer in another company. It might be accompanying the seminary president on a personal visit, or simply a telephone call that opens the doors. Others can interpret the seminary's mission and needs to other laypersons. Bishops can exercise major influence with other bishops and with pastor/priests in their own jurisdictions. The head of a religious order can influence members of the order to include seminary support in their charities. Clergy can influence congregations, ecclesiastical associations, diocesan conferences either to include generous seminary support in their budgets or open the way for special appeals and contributions. The trustee serving in any of these areas is able to exercise responsible trusteeship thus by adding to personal contributions and influencing others to contribute in similar fashion.

Offer time, energy, and contacts in special campaigns. In addition to the pacesetting personal and family gifts in special campaigns, it is the investment of time, thought, ideas, energy, and names of potential donors that represent substantial contributions of trustees. This is true stewardship of trust in the trustee role.

Avoid Conflict of Interest

A trustee must be aware of potential areas of conflict of interest. If the trustee is aware of the areas in which the position of trustee creates the possibility of conflict of interest, steps can be taken by the board itself, or the individual's mode of function can steer clear of the danger.

Admission of students: The potential conflict here is most likely to arise if a trustee finds that admissions policies that have been set by board action on recommendation of a faculty are resulting in the exclusion of a student who is a family member, the son or daughter of a friend, a man or woman from the trustee's congregation or diocese. The temptation may be to use the very considerable influence of the trustee position with the president, dean, or director of admissions to override adopted standards and policy. In a seminar[illegible]here the size of an entering class is limited, this will mean the exclusion of a better qualified student because of this use of influence by a trustee.

Selection of faculty: Even more inappropriate may be the use of trustee influence in the faculty selection process.

The daughter of WW, trustee of ______ Seminary, will complete her Ph.D. in New Testament at ______ just as the search process for a N. T. person at ______ Seminary is going on. Seminary positions are scarce. Could not WW express his concern to members of the committee?

There are ethical problems involved in the use of trustee position to secure faculty appointment for family and personal friends. It is a public trust that is held;

choice of faculty in an area that must be kept clean.

The awarding of contracts: The granting of building contracts in the construction of additions to the seminary plant provides another area for potential conflict of interest.

PH has a heating/plumbing contracting business in the city in which ______ Seminary is located, and on whose board he serves. The bidding is very close for a large seminary building with the contract given to a company whose bid was only slightly higher than the other main contender. It later turned out that PH had the plumbing/heating subcontract.

Other members of the board felt somewhat embarrassed over the situation, even though personally fond of PH. No one had questioned whether PH was a subcontractor in any of the bids. He had been in the meeting and participated in the vote. Any award of contract represents a potential conflict of interest situation if trustees are involved in any way in the contract.

An ecclesiastical party line: Decisions on budget, personnel, curriculum or other critical issues may be the occasion for conflict of interest between the "loyalty to the seminary" stance of a trustee and "an ecclesiastical party line" espoused by the trustee. The well-being of the seminary is the prime consideration in such a conflict of interest situation.

RO is committed to the welfare of ______ Seminary but he is a vigorous adherent to the ______ group in his denomination. To follow the dictates of the group regarding ______ Seminary may mean its disintegration.

The situation of RO is more threatening than that of some other trustees, but it is not unusual for a seminary trustee to be faced with this conflict between party line—which may be that of a strong dissident group with money or of a very conservative bishop—and the future high quality of the seminary.

Discipline versus academic freedom: The area of conflict may be between the trustee's need for order and discipline in the ventures with which he/she is associated and the need for academic freedom in an institution.

WR, trustee of ______ Seminary, is a product of a church system characterized by authority and discipline which results in order. But ______ Seminary has become a venturesome school which attracts students and faculty with new ideas, new programs, and new appearance.

The conflict of interest for WR as he serves as trustee is a cause for genuine agony. Can he live with what he is as a result of the ethos within which he developed and still support academic freedom within ______ Seminary?

These are only a few examples of potential conflict of interest which a trustee who acts responsibly must be aware of and guard against.

Establish safeguards to ensure trustee avoidance of conflict of interest situations. Trustees not only ensure against situations within which there are real conflicts of interest but are equally concerned about apparent conflict. Apparent conflict of interest can be almost as damaging to the reputation of a board of trustees as real conflict, and either can be disastrous to the ability of a seminary to develop trust in its constituencies. Some of the following safeguards will be useful guides for trustee conduct.

Openness regarding potential conflict: Where there is any potential conflict of interest for a trustee, it is wise for that trustee to report the fact openly. Other trustees will be wise to regard such potential conflict seriously and take steps to protect both the trustee and the action of the board. Kent Weeks in *Trustees and*

Preventive Law (See Appendix IV.) points out that the "failure to disclose a potential conflict may cause a contract to be voided by a court." The trustee may be held personally liable when there is evidence of self-dealing with resultant harm to the institution.

Airing of different points of view: Provision should be made not just for formal looking at options but for genuine hearing of conflicting points of view leading to decisions. A real hearing makes it possible for thoughtful decision-making bodies to arrive at fairer judgments. It is also a good way to safeguard the board from conflict of interest situations.

Refraining from use of power in dealing with opposing views: The preceding suggestion assumes a rational presentation of opposing views with freedom of board members to hear and take rational action. The use of power of appointment, preferment, contract granting, giving of honors, etc., reinforces the danger of lack of loyalty to the welfare of the school. A good safeguard, therefore, is steadfastly to eschew this use of power.

Absenting oneself from related discussion and action: The safest procedure for all trustees to follow when a discussion begins in which they feel a personal, business, or family stake is to leave the meeting and to remain absent until the decision on the matter is complete. Minutes should show when the member involved left the meeting and returned as related to the agenda. The principle is that the board decision should be as fair to any person, company, or party not on the board as if such person, company, or party were on it.

Deal With Trustee Liability

How does the trustee deal with the issue of liability for the well-being of an institution? One cannot protect a seminary by building a wall around it, cannot protect it from misdirection by tethering it with a rope, cannot protect its resources by locking them in a safety deposit box. How is it done?

- *By having and supporting a good chief executive officer.* Probably the most important responsibility of a board of trustees is the identification, election, counsel, and evaluation of the chief executive officer. In some schools that person will be called the principal, in some the dean, in a few the rector, but most often the president. The job of identifying what qualities and gifts are needed in that office at a particular time, the search that discovers the woman or man best fitted, the persuasion of the person to accept election (which it is hoped may be a genuine call of God)—these are potentially the most critical acts and judgments of a trustee. The periodic evaluation of the work of the person in the office and assistance for professional development is trustee time well spent.
- *By taking the initiative in formulating and revising the school's mission.* Seminaries achieve greatness or drift in a miasma depending on whether there is a clear sense of mission. The direction of curriculum, the choice of faculty, the formulation of budgets are the *direct* outcome of the understanding by the governing board of the seminary mission. In the Canadian/American understanding of who controls the school, the responsibility—the liability—rests clearly on the trustees. Faculty may prepare statements and make representations, students may communicate concern regarding those things that affect them; church bodies may address criticism and offer suggestions; but structurally and legally, the trustees are responsible for formulating mission, for keeping the school on target regarding its mission, and, on occa-

sion, for changing the mission when conditions warrant it.

- *By securing full and timely information on financial operations.* No trustee can adequately carry his/her liability who is either not interested in, capable of, or insistent on full information regarding the fiscal operations and conditions of the school served. A trustee must not be satisfied to give cursory examination to the balance sheet and income/expense statements that he/she does not understand. The trustee is both morally and legally responsible for the financial operations that are reported. Trustees should insist on a form of budgeting and accounting which provides them with the data to make responsible policy decisions.
- *By taking prompt and effective action to eliminate operating deficits.* Trustees are liable for permitting an institution entrusted to them to fail and go under financially. Reports should be expected that clearly show either an actual or potential operating deficit when such exists. The trustees are then responsible for initiating the required steps to eliminate the real deficit.
- *By guarding intentions of donors in expenditure of gifts.* The integrity of the fiscal administration of a seminary hinges in no small way on the assurance of donors that their gifts will be used only for the purpose given. Trustees are free not to accept gifts if designated for a purpose inconsistent with the mission of the seminary. However, having accepted a gift, trustee liability includes the maintenance of accounting systems that assure their control of expenditures as designated. Normally both the principal and interest income of a gift go with the stated purpose.
- *By guaranteeing fair administrative and personnel policies.* While trustees should avoid involvement in day-to-day administration by virtue of their choice and evaluation of the chief executive, they carry the responsibility for the establishment and implementation of policies that are fair and just to all. Well-defined procedures regarding evaluation, advancement, tenure, dismissal, and other personnel matters should be developed and scrupulously followed.
- *By using adequate legal and fiscal counsel.* Only a few years ago it was unthinkable that a seminary would need legal counsel except in acquisition or disposal of property. But we have moved into a litigious time when seminaries are sued by students for nonacceptance or dismissal, for refusal to recommend for ordination, even for too low a grade. Faculty sue schools for nonrenewal of contract, for refusal to grant tenure, for dismissal because of claims of financial exigency. Seminaries may be sued by employees on claims of racial or sex discrimination.

In addition to litigation by individuals, seminaries may be brought to court by either federal or state agencies on a variety of claims of protecting the rights of persons affected by the practices of the institution. All of this potential for litigation—and the fact that all litigation becomes very costly—suggests the wisdom of having legal counsel expert in the area of educational institutions always available when dealing with matters potentially troublesome. Most wise trustees would agree that the best defense against litigation is a comprehensive understanding by trustees of their responsibility and a continuing healthy exercise of that responsibility.

As consultation with legal counsel on matters involving the law is important, so in investment or tax matters the use of an investment or fiscal consultant can be of great value. Preventive consultation in both areas is much to be preferred over trying to disentangle the school's affairs after trouble arises.

- *By indemnifying trustees and administrative staff against litigation:* In this time of widespread litigation against educational institutions, including those owned and operated by the church, many thoughtful persons concerned for the protection of personal and family resources will want to be assured they are protected by suitable guarantees of indemnification in their performance of trustee or administrative duties. It is expensive to purchase liability insurance that covers trustees and administrators, but not as expensive, even when paid for a number of years, as to cover the legal costs of just one suit, to say nothing of suffering a negative judgment. Most seminaries will want to buy insurance that will indemnify officers and board members. Trustees should be reassured that if they are prudent, give attention to trustee business, exercise good judgment, and do not attempt to interfere with the CEO's duty to manage, they are in little danger.

In this chapter we have spoken about the conduct and responsibility of trustees, because we believe that strong and knowledgeable persons capable of looking squarely at a hard job and doing it well are the persons needed on seminary governing boards. Perhaps *second* only—and maybe *equal*—to teaching men and women for ministry of God to the world is serving as a trustee of a seminary or divinity school where that forming of ministry takes place. God *calls* men and women to trusteeship, expects them to conduct themselves as people of God to whom much is entrusted, and when they do it says, "Well done, good and faithful servant; enter into the joy of the Lord."

Self-Review Questions

1. What questions should you ask yourself as to your qualifications to accept election or re-election as a seminary trustee?
2. What problems might arise for a trustee (a) who is a building contractor and serves on the plant committee of the board? (b) who sits on a denominational committee to reduce the number of seminaries, possibly the one the trustee helps govern?
3. How should you consider your financial responsibilities to a seminary on whose board you serve as compared to your congregation?
4. What are areas of potential conflict of interest for you?
5. Considering your background, how can you best serve as a seminary trustee? In what areas?
6. What role can you—and should you—carry in creating and restating the school's statement of mission?

Suggested Further Readings

Warren H. Dem, "Evaluative Criteria for Seminary Governing Boards," *Theological Education,* Winter, 1974, Vol. X, No. 2.

Theological Education, Fall, 1975, Vol. XII, No. 1; (especially essays by Warren Dem and Robert Nelson).

Charles H. Farmer, *Administrator Evaluation: Concepts, Methods, Cases in Higher Education,* Richmond, Virginia: Higher Education Leadership and Management Society, Inc., 1979.

CHAPTER SIX

John H. Tietjen

PLANNING: MISSION, GOALS, PROGRAMS

If a school lacks a mission statement, the trustees should initiate a process for creating one; if a statement exists, the trustees should periodically review it. A task force of board, administration, faculty, and students should devise the mission statement as a consensus document expressing concisely the school's distinctiveness and charting its course. Defining mission is the first step in planning. The board's responsibility in planning is primarily to see that planning is accomplished, that goals are set for the school, that programs are designed to achieve the goals, and that a review process is in place.

Years ago I knew a high school boy who used to swim in the ocean off New York's Rockaway Beach. One day he and a friend were swimming when they suddenly realized that they could no longer see land—not even the high water tower that was always in view. They did not know in which direction to swim to get back to shore. First, each tried to jump as high as he could; then they combined efforts, one helping to hurtle the other into the air. At last my friend spotted the far-away top of the water tower. Now they had a point of reference to show them where they were and in which direction to swim safely back to shore.

In theological schools, the school's mission is the water tower. A clear definition of mission provides the point of reference needed to help us see where we are, where we must go, and what we must do to get there. Among the responsibilities of a theological school's board of trustees, none is more important than to define the school's mission and engage in planning, that is, produce and evaluate goals and programs to accomplish the mission.

Board of Trustees and Mission Definition

The board of trustees has ultimate responsibility at a theological school. Its name indicates that it is supposed to exercise a conserving function. Of all that is worth conserving nothing is more important than the school's mission and commitment to fulfill its purpose.

The trustees are entrusted with this task in cooperation with the president. President and board together must hold up the vision that shapes and guides the school. Regularly at meetings trustees need to raise the question of the relation of what the school is doing to its understanding of its mission.

If a school does not have a statement of mission, the trustees must initiate the process of getting one written. If a statement exists, it is the responsibility of the trustees to determine whether it adequately defines the school's purpose and, if it does, to test what the school is doing against the standard of the mission definition. Since times change and needs change with them, the board of trustees must ask from time to time whether changes need to be made in the school's understanding of its mission and, if so, initiate the process for revising the statement of mission.

Defining mission is not a task for the board to undertake alone. A process is required that involves all elements of the school community. It may be helpful for several trustees to serve on a task force with representatives of the administration, faculty, and students for the purpose of devising the statement as a consensus document.

The trustees themselves are normally the school's link to its ecclesiastical constituency. Through the trustees the ecclesiastical constituency is already involved in defining the school's mission, but the trustees must seek a more extensive involvement. The results of the school's efforts at mission definition need to be tested through contacts with church leaders, alumni, and laity. Every effort should be made to assure that there is a shared understanding of the mission by school and constituency.

The trustees should insist that the statement be brief and concise, express the school's distinctiveness, and chart the course into the future. The process of reflecting and defining should continue until the trustees are confident that they have the best possible statement.

A financial consultant speaking about

investment alternatives asked his audience how many had wills. Some hands went up. The consultant said, "You all should have raised your hands. Whether you know it or not, you all have a will. Either you have written one for yourself, or the state has written one for you." He then proceeded to read the terms of the state-drafted will, and everyone saw how essential it was to have one's own will written especially for one's own needs.

In theological schools a statement of mission is like a will. Some schools have taken the trouble to draft one, but all schools have one, whether they realize it or not. If they have not drawn up their own statement of mission, one, or perhaps more than one, will be imposed on them by default.

None of us can survive the danger of drift. We must have a point of reference by which to determine our direction. If we cannot find a water tower on the horizon, we invent one in our imagination and swim toward it, or we have one arbitrarily imposed on us. We may be swimming straight out to sea.

Some school officials will tell you that everyone knows what their school's mission is, even though they don't have it written down. They may summarize it for you with a phrase like "preparing people for ordination to the church's ministry." In some cases, what we see them doing convinces us that they are really pursuing another mission. At one school, the concentration on doctor of ministry programs shows that *continuing* education is more the mission than preparation for ordination. At another school, the investment in research shows that the school is more a think tank for the church than a school preparing people for ministry. At still another school, the concentration on numbers shows that—all the nice phrases about preparing people for ministry notwithstanding—the real mission of the school is to be the biggest and the best in the denomination.

Of course, having a written statement of mission does not guarantee that it will be operative. At some schools the statement is buried in the catalog or is used to dignify anniversary literature, but has no shaping influence on the school's life.

When a statement of mission does not provide the guiding point of reference, inertial drift substitutes functions for goals, means for ends. Doing becomes the goal: teaching classes, conducting chapel, cataloging books, raising funds. We make the mistake of concluding that because we have carried out the functions, we have achieved our mission. Yet, if we never set goals to reach, how can we know whether we have arrived? Without planning or goal setting, we repeat our activities blindly year after year, like a lost swimmer going around in circles.

The school without a plan is at the mercy of events. A decline in enrollment can provoke new programs to recruit more students without the school ever asking whether the program is consistent with its mission. Special interest groups—faculty, students, constituency—can create pressures to change the school's basic nature without the school ever asking if that is what it wants. When a strong sense of purpose is absent and there are no goals, "adhocracy" takes over.

A statement of mission is a source of self-identity: Conflicts and disagreements within a theological school sometimes arise because people have differences of opinion over how best to go about reaching goals. More often than not, conflicts and disagreements result from different perceptions of the school's identity. For example, the question of a proper faculty-student ratio can produce lively controversy between a theological school's faculty and its constituency. At issue might be a difference in understanding the nature of the school: Is it in fact engaged in graduate level education, or is it more of a trade school training people in certain skills? Controversies have developed between those whose understanding of the school is rooted in some past shaping experience and others who have a vision of the school shaped by what they think it should become.

Instead of dealing with a variety of surface disagreements, it is more helpful to deal with the root cause. The school's mission helps people know what the school really is. With a clear understanding of the school's mission, those with responsibility for the school's program know what they are, and the school's constituency knows what to expect of it.

A statement of mission serves as a basis for fulfilling the theological school's purpose: Historically, theological schools have been established to meet specific needs in the ecclesiastical community. Early in American history, schools were established to provide a "learned" ministry or a more "spiritual" ministry or to replace a tutorial system of educating pastors or to reduce or eliminate dependence on European schools. In the late 19th and early 20th centuries, theological education made a major shift because of the desire for "professionalism" in ministry. In some cases new theological schools have been established because old ones were perceived as not being liberal enough or conservative enough or fulfilling the purpose for which some in the constituency assumed that they existed. Purpose and need go together.

A statement of mission defines a theological school's purpose. When the definition shapes the activity of the school, it helps to assure that the school fulfills its purpose. It is the "charter" that authorizes what the school does and motivates the school to fulfill its purpose.

A statement of mission becomes the springboard for effective performance: Many schools teach courses, sponsor activities, and maintain organizational structures that once served the school's purpose but no longer do. The physics axiom applies to theological education: A body in motion tends to stay in motion. The motion, however, may no longer be in the right direction. A statement of mission provides a standard for evaluating the school's motion and for deciding whether other motion might be helpful. Ideally, it serves as the foundation for specific goals that, in turn, serve as the basis for selecting functions to be performed and resources required. Everything the school does is designed to achieve the school's purpose. There is much less wasted motion. Resources are used productively, and the school performs effectively.

Another value of a statement of mission is as a resource for constituency relationships: When disaffection arises between a theological school and its constituency, enrollment can drop, funds can shrink, conflict can erupt. At the root of the problem is usually a disagreement about the school's purpose.

A statement of mission produced in partnership with a theological school's constituency provides common ground on which school and constituency can deal with what the school does. The definition of mission is the basis for the constituency's expectation of service from the school. The constituency can hold the school accountable for what both have agreed it should accomplish. At the same time, the definition is the basis for the school's expectation of support from the constituency. The school can hold the constituency accountable for making it possible for the school to accomplish what both have agreed it should.

A statement of mission is an instrument for responsible reaction to proposals for change: Some proposals for change may be very

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much in accord with the school's purpose; others may call for a change in mission definition. A good statement of mission provides an instrument for evaluating the proposals. It enables the school to decide whether to implement changes to help it achieve its mission. It also enables the school to come to grips with whether it needs to change or adjust its understanding of its mission.

Writing the Mission Statement

Besides defining purpose in relation to need, what criteria need to be met to produce a good mission statement? Instead of answering the question, "What am I?", a good mission statement provides an answer to the question, "What do I want to become?" It faces toward the future, not to the present or the past. It expresses hope. It affirms possibility.

A good mission statement is not a description of "what this school does," but a prescription of "what this school wants to get done." The end goal must be always beyond reach. Only in that way can it continue to shape the direction and activity of the school.

The purpose of a theological school can be defined in the context of the church's mission, which will be fully achieved only eschatologically and is therefore future-oriented and large enough to give ongoing direction and shape to the school.

A mission that is expressed as hope or possibility will inevitably be described in general terms. Terms like pastoral ministry or the Kingdom of God are broad in scope and encompass a great deal. It is perfectly appropriate for a mission statement to include such general categories.

Nevertheless, a good mission statement will be particular in describing what is distinctive about the purpose of an individual theological school. In a general sense all theological schools have the same purpose, but each has a distinctive understanding of its particular purpose. The statement needs to affirm what makes a particular school different from others. One school may have a confessional understanding of its mission. Another may see its purpose in more ecumenical terms. Still another's mission may be related to urban or rural or multicultural ministry.

Though a particular school may have a multifaceted purpose, the statement of mission should be expressed as concisely as possible, ideally in a single sentence. The heart and core of the purpose should be capable of being so summarized. The concise mission statement can serve as the basis for a more detailed statement of goals or objectives, but for the mission statement itself a principle in architecture holds true: Less is more.

News reporters make use of five W's: Who, What, Where, When, Why. The same W's can be helpful in assembling the data that will serve as the basis for a mission statement. "Who" is those responsible for the results to be achieved, including seminary community and constituency. "What" is the goals for which the school exists. "Where" is the geographical location and extent of the operation. "When" is the duration of the work to be undertaken or the end point of achievement. "Why" is the rationale for the undertaking. To the five W's a sixth needs to be added: Wish. Express the hope, the possibility that draws everything to the future.

A good statement of mission for a theological school requires interaction between school and constituency in its framing. The statement should not be the property of any one group within either—neither board nor administration nor faculty nor students nor constituency. The statement should be owned by the whole seminary community. Such ownership requires that both school and constituency be involved in its framing or changing. Only in that way can it serve as a consensus document for all. Only so can it be of maximum assistance in enabling the school to fulfill its purpose.

From Mission Statement to Planning Process

Defining mission is the first step in planning, a foundation for a process that should have as its end result the setting of specific goals and the mapping of programs for reaching them.

As in the case of defining the mission, the first responsibility of the board of trustees in planning is to make sure that planning is done. Insistence on planning may meet with apathy or resistance—among board members as well as elsewhere in the school—but it is up to the chairman, acting with the president, to make the board see its own role clearly. Once the board is convinced of the importance of planning, it will be ready to see that the planning is done well. This requires collecting adequate information, providing adequate staff and committing sufficient time and money. The plan must cover all aspects of the school and must involve all elements of the school in its preparation.

The mission statement must be broken out into a series of statements of long-range goals or objectives, which in turn must be broken out into specific, short-range goals capable of achievement within a specified time frame. These goals become the basis for program design and resource application. Some boards have found it advisable to plan in three time frames: short-range, or annual; long-range, for three to five years ahead; and "strategic," for five to 20 years ahead. Strategic planning allows scope for modifying the school's mission in light of changing needs of the church, evolution of society, and changing availability of resources. All forms of longer-range planning need to be reviewed and updated annually.

Short-range, annual planning is tied to budget review. Specific goals should incorporate and affect everything the school does in the course of the year. Each department or unit should participate, and produce its goals for the year. Chief administrators should be expected to coordinate the goal-setting process for the units within their administrative divisions. The president or someone designated to be the planning officer should coordinate the overall process from the top. The process should produce a set of materials—the plan—which lists all goals for the year.

One way to approach goal setting is to list the functions being performed, then state the desired result for each. For example, one function may be conducting daily chapel service. Doubtless the main result this is designed to achieve is spiritual growth of students, but more than likely the function envisions a multiplicity of results. These should be listed and reviewed. What other functions are being performed to achieve these same results? Even if spiritual growth is the only result sought, there are surely other activities in which the school engages in order to promote spiritual growth.

The list of results should be reviewed in relation to the school's statement of mission. Do the specific goals serve to help fulfill the school's purpose? Does the statement of mission require the enunciation of goals that are not included on the list as drawn up? What goals are missing that should be on the list? What should be the school's goals for the year?

Goal setting is a particular form of planning discipline: First, the goal itself must be stated as specifically and concisely as possible. It should state a result to be achieved, not the process for achieving it. Second, each stated goal should be followed by a listing of the means necessary for achieving it. The means will include activities, resources, and personnel. The listing of means comprises the program to be followed in reaching the goal. Third, an evaluation process must be built in to help determine whether the stated goal has been achieved. On a date specified those responsible for the goal need to review the process to decide whether it has been successful and what new or altered goals need to be framed next. Then the goal-setting process begins again to guide another year's work.

Program issues from goal setting: Program comprises the total means needed to achieve a specific goal. Looking at program in relation to the goal helps to open up perspective. We easily see that there are many ways to reach the goal. We recognize what we are not doing that we should be doing. If the goal of daily chapel services is spiritual growth and all we are doing to achieve spiritual growth is to conduct daily chapel services, we see that more can be done and needs to be done.

Not everyone is eager for the discipline involved in goal setting and planning. Those who have not previously engaged in such a task need to be helped to discover its rewards. Where goal setting is practiced, the discipline of the process contributes to effectiveness in performance. People see what they are accomplishing by what they do. Nothing is more beneficial to morale than accomplishment that results from working for mutually agreed-upon goals.

Once the important task of defining mission is completed, the board must assure that planning proceeds with goal setting at the center and programs geared to goal achievement. Trustees should require that every level and all units of the school participate in the planning process, and then should produce both long-range objectives and short-range goals to achieve the purpose described in the mission statement. As in the case of defining mission, so in the case of planning, the trustees share with the president the responsibility for initiating and managing the process. The board should make it clear that it expects the president or someone attached to the president's office to implement planning. It should insist on receiving and reviewing the plans, both long-range and annual.

The natural time for review is at the beginning of each program year, whether in academic or fiscal terms. Through the board's standing committees, individual trustees can assist in proposing and drafting goals for the year. As the year draws to a close, the board should receive a progress report showing whether the goals are being reached. Once again the standing committees can be utilized for more detailed evaluation.

All plans, long- or short-range, must be monitored and evaluated on a continuing basis. Dr. Rhoda Dorsey, president of Goucher College, suggests seven questions that a board of trustees can ask about any proposed or ongoing plan:

1. Is it based on a realistic assessment of the institution and its resources? Are working assumptions made clear?

2. Do the various sections employ adequate data bases? Are key data interpreted to allow comprehensible implications to be stated?

3. Have all parts of the operation of the institution been covered?

4. Has the plan taken adequate account of outside forces that may affect costs, enrollment, and the attractiveness of offerings?

5. How does the plan affect resource allocation within the institution? How does it affect fund raising?

6. Have appropriate sections of the school contributed input to the plan? Are they adequately informed as to its nature and guidelines?

7. Has consideration been given to the ways the validity and achievement of parts of the plan can be evaluated?

A substantial portion of a board's meeting time should be devoted to goal-setting and goal-evaluation. The focus should always be on the future—not what the school is and what the school is doing but on what the school should become and should do.

Trustees should take the lead in looking to the future and acting to make the school's purpose a reality.

Self-Review Questions

1. Does your theological school have a written statement that describes its mission?
2. Is the mission statement a concise description of the school's purpose, describing its distinctiveness together with the goals and limits of its service?
3. Is the mission statement the product of consensus reached by the components of the school community and its constituency?
4. Is the mission statement used in the school to shape long-range goals and short-range objectives?
5. Does the school through all of its components engage in a planning process to enable it to fulfill the purpose articulated in its mission statement?
6. Is there an annual plan which specifies the goals for the year and the programs and resources to be used to reach the goals?
7. Is a major portion of the meeting of the board of trustees devoted to establishing and evaluating goals and objectives on the basis of the school's mission statement?
8. Does the board of trustees engage in a periodic review of the mission statement to determine if new needs require its modification?

Suggested Further Readings

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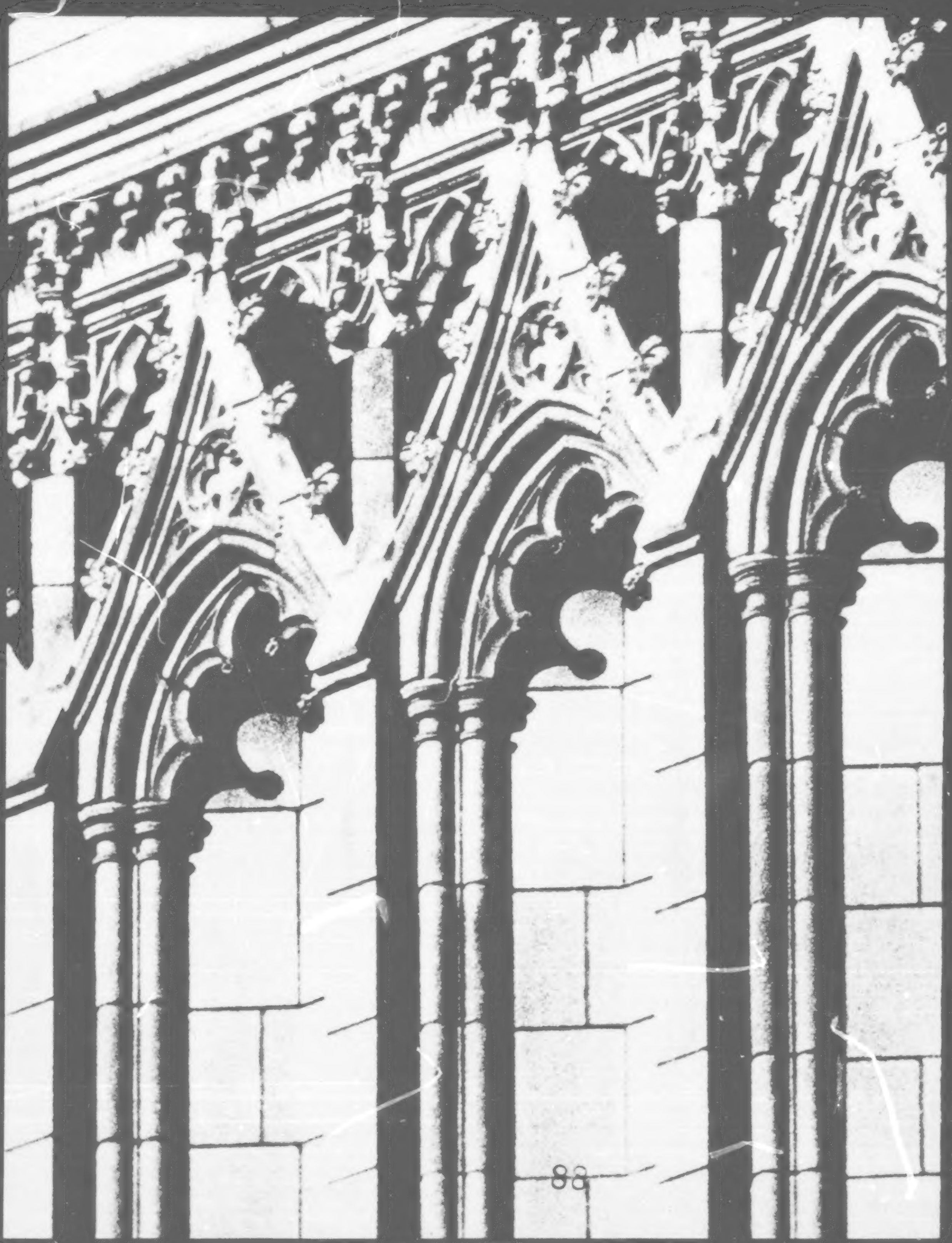


CHAPTER SEVEN

Robert G. Bottoms

THE SEMINARY BOARD AND FUND RAISING

Too often trustees, lay or clerical, regard fund raising in the light of the institution's needs, overlooking the needs of donors. The goal should be to assist the donor in realizing his or her own aspirations through contributing to theological education. Seminaries typically have little endowment income, cannot count on much in the way of alumni giving, have little access to corporate or foundation support. Boards must therefore insure that the CEO has a proper perspective on development, that a sound development program is in place, that the school's needs are costed out. The development committee of the board must provide leadership in the board's own volunteer solicitation, identification of prospects, and the follow-up thank-you process; and should help focus public attention on the school's needs.

There are a number of misunderstandings concerning the role of seminary trustees in fund raising. Consider the example of a board of trustees recruited by a church body just a few years ago. At that time the focus of the seminary board was the enhancement of student life and curriculum development for the education of parish clergy. Fund raising was never mentioned as a function of the trustees. However, when the impact of inflation was compounded by a decrease in denominational support, the chief executive officer of the seminary was suddenly forced to call upon the trustees to assist with fund raising. The trustees, particularly the clergy trustees, responded that they were not fund raisers and had not been recruited for this purpose. Similar cases have been acted out in numerous institutions.

For all trustees, the whole sense and purpose of development needs thorough examination and reflection. Misconceptions exist about its very nature. Too often development is thought of simply as "getting money." Perhaps even worse, development is seen as raising money to alleviate a crisis. Too few seminary people have been taught to view development activity as an enabling ministry.

Professional ministry requires trained and educated clergy as well as trained and educated professors of religion. This training costs money, and the financial resources needed to undergird this educational process can only be forthcoming when a climate for philanthropy has been created. Once the educational task is clearly understood and articulated, the perspective on development moves away from crisis management to a vision of an enabling ministry for the training of needed clergy and teachers.

Another problem institutions face is that too often development is viewed solely in the light of what a donor's resources can do for the institution. We forget that an important aspect of every gift is what the gift means to the donor. When a board member or fund-raising volunteer focuses on linking the needs of the donor with institutional needs, the true rewards in development work can be discovered. For example, a scholarship fund needed to attract quality students should not be cast in the light of doing what is necessary to solve a crisis in student recruitment. The true purpose of such a scholarship fund is to enhance the seminary's ability to train clergy for ministry. The aim of the program should be to address the needs of the church for a learned clergy, and its implementation should satisfy the donor's desire to contribute to the education of clergy.

In general, the *less* an organization talks about its own needs, the more successful it will become. The fact that a seminary is running a deficit provides scant incentive for a donor. Who wants to invest in a deteriorating institution? After all, many people see a relationship between deficits and poor management. How much more appropriate to show to the donor that his or her gifts contribute to the institutional vision of theological education for a well-trained clergy. If a budget deficit is reduced, fine, but this cannot serve as the primary motivation.

Educational consultant Robert Nelson made a striking observation in a paper delivered at a workshop for theological trustees. Pointing out that although philanthropic giving in the U.S. runs at over $50 billion a year, and although giving to religious causes represents nearly half the total, theological education at present scarcely benefits at all from this generosity: "The seminary does not have as ready access to the corporate gift and the foundation grant that often gladdens the heart and complicates the life of the college president." While the church may allocate a proportion of benevolence for seminary education, it does not typically help to "provide the opportunity for personal involvement . . . that leads to a significant gift or bequest. . . . Yet the theological seminary has a ready-made audience of deeply concerned people, many of them of considerable wealth, who have not yet found how to make their lives as purposeful as they would like. And by the very nature of its function, the seminary has more to offer these people, in a more direct and personal way, than do most other types of institutions. . . . The theological seminary is uniquely concerned with the individual and that individual's relationship to God. It is illogical that such an institution should keep the lay person at a distance, when its central purpose is communication with the individual in regard to the very meaning of life. Involvement of the lay person in the seminary's development program should be one expression of this concern. Trustees must take the lead."

In other words, the message a seminary should have for the philanthropist is, "We can assist you in realizing your own aspirations, and, with your support, we can accomplish even more than we are doing today." The goal is to get people to make their gifts as an extension of themselves, to support those values in church ministry and theological education they hold most precious. Development work carried out in this spirit becomes far more rewarding than merely "raising money."

Put yourself in the position of a philanthropist with an estate of five million dollars. After family considerations are taken care of, two million dollars remain available for philanthropy. Have you ever thought of the tremendous problem involved in giving two million dollars away? We may fantasize about how much fun it would be to have such a problem, but it actually can pose a dilemma. How do you select the causes worthy of support? How can you choose the institutions that further your own personal values? Theological education should be in a peculiarly good position to help the philanthropist address these issues.

From the standpoint of the public, institutions have no needs. Institutions have opportunities to offer. They provide solutions. They answer the needs of communities and societies and they offer donors an opportunity to make meaningful statements about their own lives and value systems.

Too few seminary trustees have experienced the excitement of working with a donor on this basis. Too few have experienced exactly what making a substantial gift can do for the donor. This experience can never occur until the concept of fund raising as an enabling ministry becomes entrenched. We cannot just "get money." We have to match the needs of the donor with the needs of the institution, and this is an exciting process.

Funding Sources for Theological Education

Fund raising is absolutely essential for the management of an institution. Before looking at how funds can be raised to support seminaries, let us briefly review the potential sources. Traditionally, operating funds for seminaries have come from the following categories:

Tuition income: It should be clear to all seminary trustees that their institutions cannot operate on tuition income alone. It is rare for a seminary student to be able to afford tuition rates high enough to support the institution's budget. It is also true that few seminaries have the funds to grant enough scholarship assistance to recruit the necessary number of good students. Thus increases in tuition rates, which so much assist colleges and universities to balance their budgets, cannot be seen as the sole problem solver for seminaries. (An exception may be certain institutions in which tuition is directly subsidized by the local or regional church. In these cases, increased tuition becomes a way for distributing costs equitably.)

Income from endowment: Few seminaries in the United States or Canada have an endowment that provides substantial income for the operating budget. Although endowment was traditionally a major source of income for many seminaries, inflation and rising costs have reduced it to a small percentage of total income. Endowments have seldom seen substantial increases in principal, because few seminaries have conducted aggressive development programs.

Alumni giving: Large sums of money cannot be raised from seminary alumni. In the first place, as compared to colleges and universities, seminaries have very few alumni. Secondly, nearly all seminary alumni are in low-paying professions—the pastoral ministry and/or teaching. While it should be noted that the good will and supportive attitudes of seminary alumni can be of critical importance in a major fund drive, alumni nonetheless do not possess the giving potential around which a solid development program can be built.

Corporate gifts: Corporate support seldom goes to seminaries because of the frequent denominational ties, and the corporation's publicly stated view toward "sectarian causes." While smaller corporations may support some theological schools—particularly those with programs in business ethics—the hope that the corporate community will become a major source of funds for theological education is a faint one.

Foundation support: Foundation support has not been as great for theological education as it has been for other areas of higher education or the health-care field. In fact, when foundation monies have been given to theological education, most often the grants have been for innovative programs rather than for operating expenses and endowment. This does not mean that theological schools should not seek the support of the foundation world, but foundation support must be seen in its proper perspective.

Denominational support: There seems to be a general decline in denominational funds available for seminaries. The effects of inflation as well as the keen competition for denominational dollars make dramatic increases in church support for seminaries unlikely.

One final point also needs to be considered: Most colleges and universities face their own financial crises today. Private colleges have been hit as hard by inflation as have the seminaries. Similarly, public institutions face massive cuts and/or limitations on tax dollars available for education. As a result, state institutions are now seeking the private philanthropic dollar along with the private colleges and universities. This creates an intense competition for both philanthropic dollars and dedicated volunteers, those leaders of influence essential to the success of any school's development program. Seminary boards must learn to compete effectively for both the philanthropic dollars and the voluntary leadership needed to identify constituencies and publics to be approached.

This is a major trustee opportunity.

The seminary trustee must learn to introduce lay people to the work of theological education. This can be a healthy and exciting experience. Serving on a seminary board can provide any trustee and, in particular, a lay trustee with the opportunity to weave his or her personal values regarding religion and higher education into the values of an institution.

Yet the burden for increasing revenues from lay people does not rest solely with lay trustees. Increasingly, clergy trustees of seminaries are finding it possible to open the resources of their congregation and ask lay people in local parishes to focus some of their giving on the training of clergy and teachers. Clergy are beginning to view as outmoded and erroneous the concept that soliciting funds for theological education from a local congregation diminishes receipts on the local level. We have discovered that a donor's giving to the parish generally increases as the person becomes interested in theological education.

In summary, seminary trustees, both laity and clergy, must learn to serve as role models for stewardship. In effect, they become advocates for theological education, and one function of this advocacy role is helping to obtain the resources necessary to enhance the educational experiences of a learned clergy.

When there is a proper mixture of clergy and lay people on the seminary board of trustees, the public can be educated as to the proper role of ministry in society. The clergy can help correct the fallacious image of theological education often held by lay people. Correspondingly, the lay trustee can correct the image many clergy have concerning the way the business community perceives the role of church in society. The proper mixture of lay and clergy trustees on a board can go far toward creating the necessary climate for fund raising. Clergy and lay trustees alike need to realize that the cultivation of lay publics can be rewarding.

Development Functions of Seminary Trustees

Let us now look at some of the functions seminary trustees must serve in development. One key role of the board of trustees must be the selection of the development team. The trustees must insure that the chief executive officer of the institution has a proper perspective on development. The vast majority of seminary deans and presidents have little or no business experience. They were trained as professional scholars, teachers, or pastors. Few dreamed of having to manage a seminary budget. It is essential that new chief executive officers in seminaries have the management skills necessary to lead an aggressive program to raise public consciousness about theological education. The chief executive officer needs to be a person who can gain the support of the business community, and it is the trustee's responsibility to make certain he or she is trained in communicating with the school's constituencies.

Trustees also need to play a role in assisting the chief administrator with the selection of the development staff. The most successful development professionals are those who have a thorough knowledge of theological education. They also need a generalized acquaintance with public relations, the raising of annual funds, and the mechanics of planned giving. This generalized training is essential for the seminary staff, which will typically be too small for significant staff specialization. The seminary development officer must be aware that alumni giving will not be a major source of funds. He or she also will quickly learn that, unlike the case with most colleges and universities, the typical donor will not have attended the institution for which the gift is requested. In some cases the potential donors may have never been on the seminary campus. Thus a high level of creativity is required.

Finally, it is up to the seminary trustees to supply the indispensable ingredient of volunteer help. Experience has shown that even outstanding professionals are less persuasive with large potential donors than committed volunteers.

Once the staff is in order, it is the role of the trustees to legitimize the entire development program. Good fund raising always requires a long-range plan (See chapters 6 and 7.) It is from this plan that the development of the case for the institution's support proceeds. At this point the involvement of the trustees is essential. Trustees must examine the institution's long-range plan, build a case for the needed funds based upon the plan, and then make certain the institution's case is presented in an articulate way. Trustees then have to provide the role model for the committed church person who finds fulfillment in helping meet these needs.

Why is it so important for the trustees to endorse a long-range plan and assist in the articulation of the case for funds that grows out of it? It is because, far more than the president or development officer, an informed and influential trustee can speak candidly and clearly about his or her own reasons for involvement in theological education. In turn, this commitment can command the attention of the philanthropic community.

Too many seminary trustees find it perplexing to have to explain to an alumnus, a friend of the institution, or a potential donor just what modern theological education is all about or what its role is in meeting the needs of the church and society. Put in practical terms, the trustee as an ambassador for theological education must serve as a bridge between the seminary and its possible constituencies. This difficult task demands a keen awareness of the purpose of theological education and the role that must be played by the particular institution.

Every theological school must have a design for its own particular destiny. By whatever name, a phased long-range plan of at least five years' duration must exist to serve as the basis for academic requirements, student recruitment, facility requirements, learning resources, library, student housing, and physical support projections for stability and security. Institutions lacking a sense of direction in these crucial areas do not know the cost of quality and do not have a vision for a greater achievement. They, in turn, will be relegated to a position of insignificance in the next decade.

Given a long-range plan that has identified the needs of the school and presented an articulate case for support, what is the next step? To solicit funds? No. It is the responsibility of the trustees to make certain that before any solicitation takes place the needs of the school are "costed out."

If scholarships are needed, how much money actually must be raised? If faculty salaries are low, how much money will it take to raise the faculty to the level of comparable institutions? If the plant is deteriorating, what is the dollar amount needed to restore it? The institution should be realistic but not timid in arriving at these figures.

Ambitious statements about the institution's goal for greatness and excellence in all things must be followed by costs consistent with those statements. If the publicly announced dollar goals are small in terms of the compelling case for support, potential donors will question the caliber of management and lose confidence in the board of trustees.

The case for any institution involves donors, and is written from the donor's standpoint. It encourages the donor to have a sense of involvement, even a sense of ownership with the school rather than a sense of duty or obligation.

The case positions the institution's program for development, and demonstrates how the current fund-raising enterprise addresses issues and solves the problems that concern the donor community. It accomplishes this by presenting a distinctive stance that the institution and development program must take. It contrasts the seminary with other investment opportunities that compete for the attention, energies, and dollars of the donor.

The case needs to invite investment. Most donors are used to being convinced of the wisdom of a prospective investment. The seminary's case should explain why the institution is a wise investment from the viewpoint of the donor's own life goals. A person who refuses to purchase a stock offering without first seeing a prospectus will be no less discriminating about a philanthropic investment.

Remember too that the institution's case must be built upon an image of the future. It cannot be constructed upon past achievements. It looks to the institution's *potential*. The case offers a description of the optimum benefit the institution can provide and shows how the needed funds will unlock the institution's dreams and turn them into reality.

To summarize:

- The written case is an investment prospectus. The program must be seen as a good investment.
- The case must be larger than the institution. It should stress societal opportunity rather than institutional needs.
- The case needs to be optimistic. It must evoke a feeling of promise.
- The case should be brief, 10 to 15 pages, with a two-to-three-page version that outlines the kernel.
- Finally, the case document answers the following specific questions: In the eyes of the prospective investor and from the standpoint of his or her needs and concerns, what difference does the institution make? What aspects of the institution distinguish it from others in which the donor might invest? What will be the lasting benefits in the success of the campaign?

Structuring the Board for Development

To oversee all of this work, the trustees must establish a development committee that represents the best thinking and the most public influence available to it. It then becomes the responsibility of the development committee of the board to work with the chief executive officer and the development professionals to help establish the climate for giving.

The development committee must formulate gift policies for the institution. For example, if the library needs funds, how much money should be solicited? In what form should the solicitation be conducted? On the other hand, if the long-range plan includes the endowment of faculty salaries, how much gift money will be required to affix a named memorial to the establishment of a faculty chair?

The development committee must also answer the general questions: What are the opportunities for giving to the school? Why is money needed? What can be done with the money and what role can the donor play?

Now that the actual fund-raising activities of the development committee of the board of trustees have begun to crystallize, specific functions may be summarized as follows:

- The trustees should help identify prospects and cultivate their interests in order to involve them in the life of the institution.
- The trustees should assist in the solicitation of major prospects. It is important that the trustees concentrate on those who have the largest potential to offer the school.
- For trustees to fulfill their development role, they must make their own personal commitments to the development program as a public witness to the importance of theological education. This is *leadership* giving. Intimately related to this point is the development committee's responsibility to adopt a practical structure for the trustees to solicit one another. It should never be the responsibility of professional staff to solicit the board of trustees. The development committee of the board of trustees should perform this function.
- After a gift has been made the trustees should assist in the thank-you process in whatever way is appropriate. To be sure, the chief executive normally thanks the donor on behalf of the institution. However, a trustee who was instrumental in soliciting the gift should add his or her personal thanks.
- It is the responsibility of the development committee to focus public attention on the needs of the school, the role of the clergy in contemporary society, and the importance of gifts as investments in the future. Most people do not give to seminaries because they have never been told why they should.
- Just as the development staff may expect certain things from trustees, trustees have a right to expect quality work from the staff. The staff should be trained to waste none of the trustee's time. Trustees should be provided adequate research material on potential donors, and the staff should provide a seminary colleague to assist the trustee on solicitation calls if desired.

Finally, a word needs to be said about the role of the seminary trustee in public relations. The board of trustees should strive to insure that the institution is recognized for its contributions to society. Yet the trustees must be certain that the administration of the school does not confuse public relations with development, that it does not equate "being known" with raising money. Donors still have to be asked for their gifts, and it is the responsibility of the trustees to make certain the structures are in place for this solicitation to occur and to be monitored.

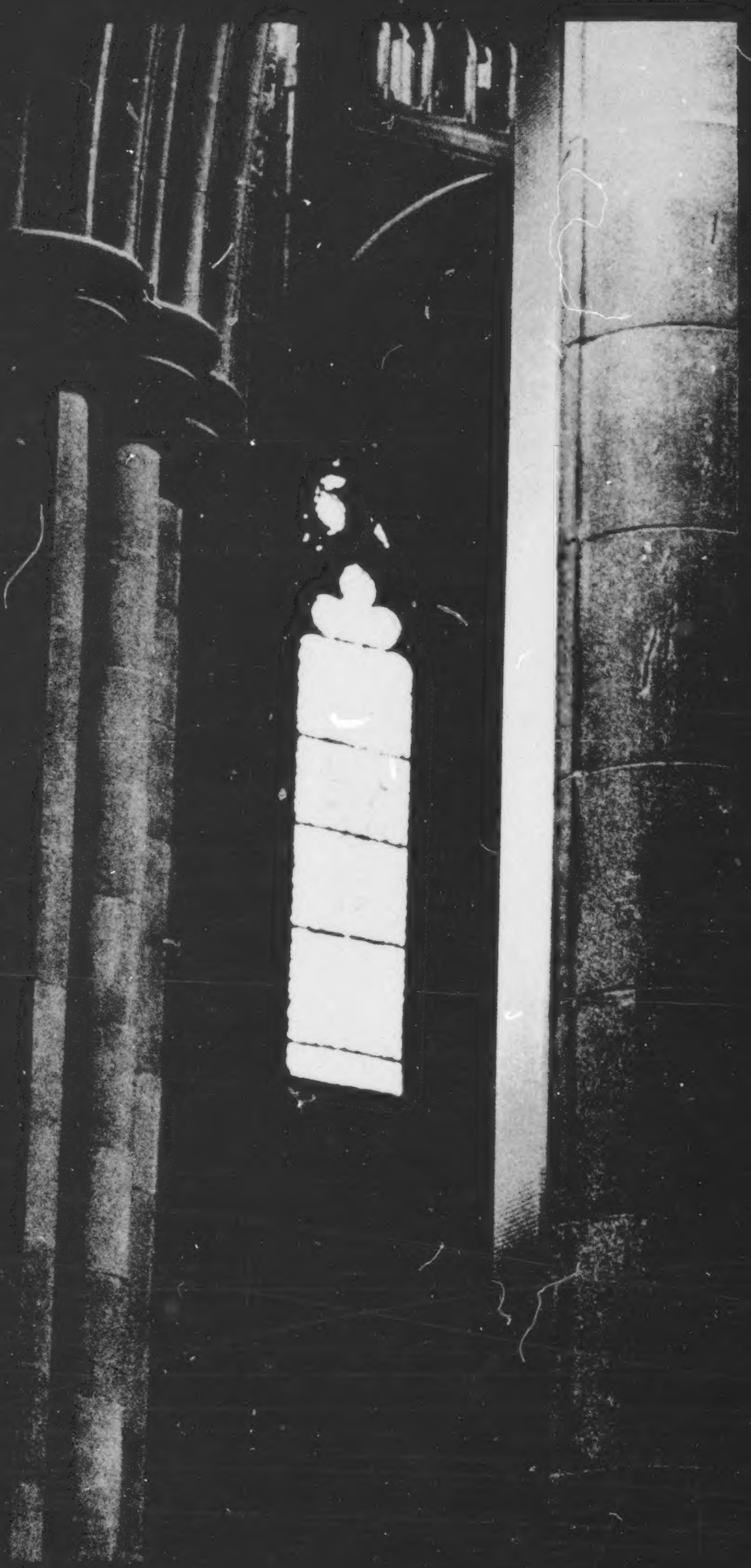
Self-Review Questions

1. What is the role of tuition income in the financial picture of your school?
2. Does your school have a long-range plan articulated in a case statement suitable for presentation to a potential donor?
3. Do the members of the board help identify prospects?
4. Does the board practice "leadership giving?"
5. Do board members personally assist in soliciting major gifts?

Suggested Further Readings

Michael Radock and Harvey K. Jacobson, "Securing Resources," in *Handbook of College and University Trusteeship,* San Francisco: Jossey-Bass, Inc., 1980.

Francis C. Pray, ed., *Handbook for Educational Fund Raising,* San Francisco: Jossey-Bass, Inc., 1981.



CHAPTER EIGHT

F. Thomas Trotter

TRUSTEES AND ACADEMIC AFFAIRS

Trustees tend to be reluctant to take initiatives in academic affairs of the seminary, although the quality of its academic program is of decisive importance to the school's success. Trustees should assist in the development of a strong faculty. They should not interfere with the faculty's fundamental responsibility for formation of the curriculum, but they must be informed about it and confirm it. A healthy board-faculty relationship should be negotiated by the chief executive and include an annual curriculum review. An academic affairs committee, with the principal academic administrator assigned as a staff support person, can be of great value in strengthening the curriculum, safeguarding faculty morale, sustaining quality of student life, making assessments of graduates, and participating in other areas.

The theological seminary is a complex institution. It exists in two worlds: the church and the university. These great institutions have their own histories and expectations as well as their own expressed and implicit "faith systems." Sometimes conflicts grow out of this relationship of church and university. The debate about the degree of scholarly research to be encouraged against the emphasis on "training" pastors is a good example. Professors in theological seminaries must live in both worlds. They are normally, but not always, ordained ministers in their denominations. They are also members of professional societies of scholars and researchers. The ancient question of Tertullian, "What has Athens to do with Jerusalem?", is being asked in a variety of ways in the faculty life of the seminary. Trustees charged with oversight of academic affairs in a seminary will be aware of these issues and need some reflection on their useful role in the academic community.

Academic Vitality: the Most Important Asset

Trustees properly are responsible for oversight of maintenance, development, and other managerial functions. The role of trustees in academic issues is just as critical but less understood. The academic quality of a seminary is its most important asset, and it needs to be understood, evaluated, guarded, and nurtured. Trustees, as the governors of the school, must be sensitive to this fact.

Trustees generally have been reluctant to take initiatives in the area of academic governance. There is a natural reluctance to be involved in an area of special competence. From the standpoint of the administrator, there have been periods of unfortunate interference by trustees in the academic affairs of the faculty. Some deans see themselves as "protecting" their faculties from trustee interference. The need for discretion must be carefully stated, as will be noted. The fact remains, however, that the quality of the academic life of the school is its most important asset. As such, the style of the trustees' care and involvement is critical.

Why is the quality of a seminary's academic life decisive? The quality of the academic program of the seminary determines in great part the quality of the ministry of its graduates. Trustees are ultimately responsible to the sponsoring denominational body for the quality of a church's ministerial and lay leadership. This quest for excellence is grounded in the origins of the higher educational movement in America. Harvard University was founded so that there would be a "learned clergy." The seminary movement, which arose in the 19th century, was a response to the need for articulate and educated ministers for the expanding frontiers. It is true that some religious movements eschewed learning, and that part of that tradition continues in some forms to this day. But the overwhelming majority of religious organizations in America founded and encouraged seminaries for the education of ministers with the expectation that more learned, faithful, and effective ministers would be provided to the churches.

Seminaries have a profound intellectual and spiritual effect on their students. The style of a particular seminary is identifiable in a minister throughout his or her career. Therefore, the theological school is the single most important element in the forming of a generation of ministers, and this "formation" persists throughout the life of a minister. The *quality* of that formation is ultimately in the hands of the board of trustees and its academic affairs committee.

A second way of describing this asset is to note how academic quality shapes other facets of the seminary's life. Most important of these is the matter of student recruitment. There are many reasons for a student's selection of a particular seminary. Many college students are attracted to a seminary by the impressions gained in working with their college professors. But it is the academic quality of a school that is frequently decisive for student recruitment. Academic quality is the one selective factor that will overwhelm other considerations, such as cost and location. Many students will make exceptional efforts to enroll in a school of high academic quality. Over the years, the reputation of the seminary for the maintenance of high quality makes student recruitment less difficult and reinforces the variety of indicators pointing to institutional health.

This issue is of more than passing concern for trustees. A serious problem in the churches today is the identification and recruitment of outstanding young women and men for ministry. Ultimately the question of quality touches the question of the role and authority of the churches in the life of the nation and the world. The influence of the board may be more decisive for the future of religious institutions in the nation and world than is commonly thought.

It is important for the trustees to help the administration develop a strong and attractive faculty. Here the role of the trustees in the general health of the institution plays a significant part. The quality of faculty life basically expresses the quality of the institution. A restless, unhappy, unproductive faculty produces restless, unhappy, and unproductive students. Faculty disillusionment will elicit a reaction in students that corresponds to an attitude of "just getting through." Perfunctory and unexcited students become unexciting ministers.

The faculty *is* the school in a basic sense. The campus is not absolutely necessary, and many schools, even in our own time, meet in makeshift quarters. Administrators, as well, are a recent development in higher education.

In our own period, faculty members have done administrative tasks on rotating terms. Without the faculty there would be no students. What attracts interest in the seminary is not primarily its campus, although a comfortable setting is helpful. The administrators may help attract interest in a school, but ultimately the faculty is the true magnet.

Trustees are responsible for the overall institutional health of the school. Trusteeship in American higher education is one of the most complex and demanding positions of social service. The Association of Governing Boards has brought to the attention of this significant community of leaders the need for reflection on the roles of trustees and ways of improving performance of those roles. The rise of AGB reflects growing awareness on the part of trustees of the significance of their roles. Higher education is becoming more, not less, complex in all phases of its institutional life. This complexity calls for more thoughtfulness and care in governance. Theological seminaries share this reality with all institutions. One has only to note the increased institutional expectations on the seminaries from constituencies. Where once a curriculum required few discrete disciplines in a faculty, now a variety of new disciplines, especially cognates of the social sciences, are expected to be represented in the faculty and curriculum.

The soaring costs of education force

seminaries to expend considerable energy in development and fund raising. It is simply impossible for adequate governance to depend only upon administrators to govern and enhance the quality of a seminary without the active and knowledgeable participation of a strong board of trustees. In this sense, the trustees' concern for overall institutional health is finally and ultimately bound up with its concern for the academic quality of the school.

The ambiguity of the seminary, living in two worlds, will never be fully removed. There will always be tensions in a community at once a school, monastery, church, and research facility. But ambiguity is overcome in the intelligent ways a board of trustees does its work.

Trustees and Faculty Work Together

The role of trustees in academic governance needs to be carefully stated. I have suggested that the trustees have a profound and essential responsibility for the academic quality of the institution. This is a part of the responsibility of a trustee for the overall quality of the school. The issue of academic quality overrides all other factors in determining the character of the school, its attractiveness to students and faculty, and its role in the mission of the church in society. These are the general assumptions of trusteeship.

How the trustees exercise their oversight requires additional clarification. The role of the trustees becomes more visible and critical in times of stress. Normally, it has been assumed, the trustees can bask in the light of the school's reputation, and occasionally name a president. When institutional stress erodes the ability of the school to fulfill its mission, then the trustees must become more active. The troubled 1960s saw institutions under great stress, with the communities of students, faculty, and administrators often in desperate confrontation. In some of those episodes, trustees had to intervene.

Intervention of this dramatic sort is evidence that trustees do govern. Normally they govern through the administration and the faculty. Trustees govern by seeing to it that governance takes place. A simplistic view sometimes expressed by frustrated administrators is this: Students study, teachers teach, and administrators administrate; when these roles become ambiguous, as they necessarily will, the role of the trustees is to see that sufficient clarity is maintained to provide for the operation and mission of the seminary.

There is a certain pristine logic about this theory. But it is confounded by the expectations of the various constituencies in the school and by the need for trustees to be sensitive to questions of morale. It remains, however, extremely important for trustees to make the distinction between governance on the one hand and administration and teaching on the other. The trustees exercise their responsibilities in academic affairs through the faculty and through the academic administrators: the president or the dean. (Some seminaries have these roles of president and dean as exclusive of each other, but good practice requires that a single administrator be responsible for the entire work of the seminary.)

The curriculum of the seminary is ultimately the responsibility of the board of trustees, but it is primarily the responsibility of the faculty. The published course offerings serve as a type of contract with the students, guaranteeing that certain academic and noncurricular programs will be made available. Therefore, the curriculum announced in the seminary's catalog represents the good-faith presentation of the nature of the school to its constituents.

The trustees have a natural stake in its formation, quality, intention, and feasibility. The faculty writes the curriculum and justifies its academic rationale. This traditional separation is most important for the academic health of the seminary. The curriculum is the faculty's statement to the students about the school's intentions in theological education. It represents the struggles within the faculty over questions of priority, importance, and location of particular subject areas, as implied in the facetious definition of the curriculum as a "monument on a battlefield signifying who won." Always the curriculum will be important as the statement of where the faculty is at the moment and as a description of the character and intention of the school.

Ultimate trustee responsibility, therefore, must not be understood as interference in the faculty struggles for clarity and order in the curriculum. Trustees must not interfere with the fundamental faculty responsibility for the formation of the curriculum. But trustees must be informed about and confirm the curriculum. In being informed and in confirming, trustees are fulfilling their proper governance roles.

Strong interchange between trustees and faculty might result from this process. That is an expression of the fulfillment of the initiatives of the two groups. Confrontation about issues of this type is proper and healthy as long as it is within the context of the shared obligations. When a board is uninformed about an issue of curricular importance, then serious problems may result. It is a board's right and obligation to be fully informed about the shapes of the curriculum, so that they may adequately interpret it to constituencies, may confirm it through recorded trustee action, and support faculty freedom to exercise their proper roles in the economy of the school.

A healthy board-faculty relationship will be negotiated by the president. It always includes an annual review of the curriculum and confirmation of significant program changes. Degree nomenclature, introduction of new programs, listing of new course offerings, and other items always should be brought to the attention of the board by the president. These issues have bearing on the overall quality of the institution, and part of the governance of the school includes awareness of these details.

The development of the faculty is another primary responsibility of the faculty and administration. However, it is the ultimate responsibility of the trustees. In a healthy institution, the president will inform the board that a vacancy has appeared or that a new appointment in a heretofore vacant chair should be located. A faculty search committee will be appointed after authorization by the board. When the faculty has made its selection, the president normally will report to the board and nominate the candidate for the vacant position. This is an important and sensitive point in the school's life.

Only under exceptional circumstances should the trustees not confirm or elect a nominee of the president and faculty. In some schools, the trustees require the president personally to confirm the nomination, so that any possible misunderstanding between the president and faculty will be confronted. But assuming that the availability of the appointment has been determined and cleared with trustees earlier, and that a proper search for the appointment has been made, then confirmation or election by the board must follow. Otherwise, the fragile system of trust in the institution will be seriously damaged.

As in all human organizations, the secret of good institutional relationships is not a secret at all. Good feelings among the various elements of the school are maintained by adequate communication, clarity about role expectations, and frequent opportunities for reflection on institutional purpose. These careful and necessary structures avoid confrontations. Confrontation may become necessary as an act of institutional responsibility, but as an administrative style, it is damaging to the institution.

I recall an incident that illustrates this issue. I presented to a board the name of a young scholar my faculty colleagues had named to the faculty. A trustee asked me if the candidate had participated in any civil rights activities, and made a motion that would require me to break off negotiations with the candidate if I determined that in fact he had done so. After some embarrassed discussion, the chairperson prepared to put the question. At that point the president of the seminary quietly interjected himself with these words, "If this resolution passes, the next item of business will be my resignation."

The episode illustrates the classic dilemma of trustee-faculty relationships. The faculty identified a nominee who fitted their expectations of a colleague needed in the institution. In their responsibility for confirmation, the trustees were consulted. One trustee raised an issue seen by the president and dean as inappropriate interference in the academic initiative of the faculty. The confrontation was the result of the president's requirement that failure to confirm the candidate was tantamount to expressing lack of confidence in the administration. Let us hope that confrontations of this type are few. Nevertheless, they are necessary when important principles are at stake. They usually can be avoided when adequate communication and careful planning are present.

Some trustees chafe at the somewhat distant role they are assigned, with relationship to faculty life. Interference with the academic responsibilities of the faculty is unacceptable in the seminary. The administration of the generally accepted and confirmed policies of the board is the work of the president. The board holds the president responsible for these matters. If, in their judgment, the president is inadequately managing the internal life of the faculty and school, then the trustees' obligation is to remove the president. Generally the president and other academic administrators have continuous contracts but are formally confirmed annually by the board of trustees. Administrators may hold academic appointments with tenure, but the administrative assignments are normally annual. This provides the check and balance required for trustee initiative.

Without assuming the role of the faculty, trustees should see themselves as stimulators and catalysts in the academic life of the school. The highest compliment that a trustee may pay to a faculty person is to take that professor's work seriously. This may include showing special interest in the professor's research or being familiar with the professor's publications. It may include as well being acquainted with the professor personally and with the professor's family.

If, as is sometimes the case, a trustee is well informed about an area in the curriculum, he or she might be a catalyst for encouraging board interest and excitement in that particular area. This should be done carefully and should not interfere with the appropriate responsibilities of the president. Many boards have programs that encourage trustee involvement with academic specialties in the curriculum, and this enhances the possibility of communication. When serious questions about institutional policy are debated in the board, it is helpful to have trustees who are both informed and capable of faculty interpretation in the debate.

What is being suggested here goes beyond the normal symbolic representative principles widely used today. Such patterns suggest that a trustee be a member of the faculty life committee or the faculty academic affairs committee and that a similar arrangement be made on trustee committees. These arrangements are necessary and useful, but generally are not adequate for the kind of interaction I am describing. Trustees need to know about the vitality of the academic program. This is made possible by sincere and persistent efforts on the part of all sectors of the school to see that information is readily available and that lines of communication are always open.

One model that has proved helpful is to have faculty persons make presentations to the board on the place of their disciplines in the total curriculum. Over a period of time, this orientation leads to valuable additional explorations into the vitality of the faculty.

The significance of this relationship is heightened by the question of academic freedom. This is a most important part of the school's life, and the trustees need to understand the issues clearly. Much has been written about the trustee's role in this area, but suffice it to say here the issue is not different in a seminary from what it is in a general university faculty. To state the issue in the extreme form, the faculty is the school. Administrators and trustees exist to facilitate the work of the faculty, and that work will be fruitful only when the widest possible room for initiatives is given to the faculty. Historically, the responsibilities of the board of trustees were, in fact, initially granted to them by the faculty. Moreover, trustees represent constituencies as well as faculty, and administrators represent trustees and faculty. But faculty persons require the spaciousness of academic freedom for their work. The checks and balances are there and available when flagrant violations of this privilege of scholarly work are apparent. But overt and capricious interference in the work of the faculty is dangerous and possibly destructive to the health of a school.

Some seminaries have a tradition of constituent and trustee expectations that require certain restrictions on faculty life. This may take the form of a doctrinal statement, subscription to which is a requirement for employment in the institution. Such a tradition, of course, must be respected by the trustees. Trustees have an important role in engendering trust in all the school's relationships. Carefully weighing respect for the traditions of a confession and the traditions of academic freedom, the trustee will want to avoid arbitrary action in this delicate area of the school's life. These are issues for faculty and trustee conversation and trust. The best form of governance involves a great amount of trust, and the least interference in the work of the faculty is the best support a trustee can give.

The purposes of academic freedom and its traditions are grounded in the history of the Western university. They represent custom that has grown out of the struggle for religious and academic freedom. Indeed, the scientific method itself is a product of this tradition, and requires the environment of freedom in the university for its proper functioning. In religious institutions, the tradition represents a very high form of institutional trust. It is the church engaged in critical analysis and explication of its own traditions. Frequently, it is the church involved in prophetic self-criticism. Without this form of independence and criticism, something vital is missing from a religious community. Without this function, something necessary is missing from a school.

In all issues of faculty life, the trustees must expect the president to keep them informed and conversant with the issues bearing on governance. This relationship ought not to be merely formal. Trustees rightfully expect the president to exercise personal leadership at all levels of the school's life. The president needs to be more than a traffic cop, directing the various elements of the school and avoiding collisions. The president's active leadership will determine much of the quality of the institution.

Therefore, the trustees must expect the president to be direct and clear with them in academic matters. They need confidence in the president here as elsewhere. But especially in the areas of academic vitality, the president must not be a bystander. Trustees should, as a rule of their work, always require the president to express personal judgments on all academic issues being presented to them for action. Just as the president is held directly responsible for academic life, the act of having him or her report directly on each issue confirms the contract and keeps the administrative and governance responsibilities clear and strong.

The Academic Affairs Committee

Unfortunately, many boards of trustees do not have active committee structures, and among those that do, the priority committees are in the areas of finance, development, and buildings and grounds. Hopefully, to these important centers of trustee attention we will see added major attention to such areas as student life, library, and academic affairs.

The best way to ensure regular and informative exchange among trustees, faculty, students, and academic administrators is to have an academic affairs committee in the board. The committee will necessarily be organized along the rules for all trustee committees. (See the comments in chapter 3.) Attention should be given to the make-up of the committee, but trustees ought to be given an opportunity to serve on a variety of committees. Rotation of trustee members in various committees makes for wider and more informative interaction for the trustees. It is not simply that the wisdom and experience of the trustees will be available to administration and faculty. Equally important is the necessity for trustees to learn from their colleagues in the enterprise. Membership on the academic affairs committee is often the most instructive experience a trustee has. It is also possible that the contribution of a trustee, more or less uninformed in academic matters, brings to the committee a fresh perspective useful in the school's understanding of its work.

To make the academic affairs committee useful, the chief administrative officer should assign the principal academic administrator as a staff support person. This person and the chairperson of the committee then can do careful planning to guarantee the fullest attention of trustees to the work of the group.

Meetings of the committee should include orientation to academic affairs, reportage about ongoing programs (e.g., recruitment of students), and a continuing study of long-range issues (e.g., faculty development).

If there is currently no handbook for faculty and student life, trustees might initiate such a development through the administration and in the academic affairs committee. A faculty handbook is a statement of all the policies governing academic life. It should include policies on tenure, appointment, sabbatical leaves, separations, course loads, and remuneration. There should also be chapters involving dismissal, appeals, and a careful listing of so-called "fringe benefits."

There are several reasons for the development of such a handbook. First, the morale of the community often depends on the regular and equitable administration of announced and even-handed policies. Most accrediting associations will insist on the handbook as a minimal standard of accreditation. Second, the handbook provides the board with a regular way of reviewing academic policies and life in the school. Without the handbook, only irregular and often confusing administration is possible. Third, the development and maintenance of such a handbook presents the trustees with a splendid occasion for collaborative and mutually important work with the administration and faculty.

It is good trustee policy to review the handbook annually with the academic administrator. Since the handbook expresses official school policies, the trustees must finally confirm and approve it.

There are six major areas for attention by the academic affairs committee of a seminary. They are (1) curriculum, (2) faculty morale and development, (3) quality of student life, (4) recruitment and admissions, (5) assessment of the quality of graduates, and (6) library development.

1. *Curriculum:* Trustees should in effect carry on a continual conversation with the academic administrator about the curriculum. Among the questions to be asked by the board are these: Is the curriculum meeting its stated goals? Are significant emphases missing? Do the structure of the programs fit existing faculty commitments? Is the school spreading itself and its resources too thin? Can the published curriculum be properly funded within budget guidelines?

2. *Faculty morale and development:* An important part of the work of the academic affairs committee will be establishing patterns for tenure and permanent appointment. The trustees should expect the academic administrator to help them understand the procedures for permanent appointment. Should it appear that these need review, the academic affairs committee ought to initiate such a review for a report to the full board.

Academic tenure is an impressive affirmation of trust in a faculty person. It includes not only the implication of freedom from restraint, but also a commitment of support to retirement. The fiscal consequences of this election are dramatic when understood in terms of long-range financial commitments of the institution. The general morale of the faculty may become an issue for review by the committee upon recommendation of the academic administrator. In any event, the entire question of faculty identification, recruitment, morale, promotion, and permanent appointment are ultimately in the hands of the trustees. It is an overwhelming responsibility and should be taken seriously.

3. *Quality of student life:* Seminarians characteristically are undergoing complicated spiritual and intellectual growth during their seminary years. Many are being challenged to new ways of thinking and being religious. They are also testing their own vocations. The quality of student life is an essential ingredient in this important mix. The word seminary has horticultural roots. The trustees and faculty share responsibility for the planting and growth of the garden.

Most seminaries have abandoned parietal rules. Seminarians are adults and today are so treated. The living and working environments are more voluntary than in other times. Compulsory religious exercises may or may not be a part of seminary life. Yet, special attention must be paid to the perceptions of the students of their own environment.

Students spend a few hours a week with their professors, many more with their peers. Students are, in reality, also important teachers. Trustees should make sure that formal student services are adequate. In addition, it would be useful for the trustees occasionally to entertain students in their homes. Almost all seminary graduates will work in parishes where the models of life are not academic, but familial. In this sense, those structures of support and accountability that are consistent with church life and experience need to be a part of the students' experience in seminary.

4. *Recruitment and admissions:* The importance of the recruitment and admissions program has already been noted. Without an adequate number of students, the seminary will not survive. Seminaries need to plan as carefully as undergraduate colleges to make sure that the maximum number of qualified applicants present themselves for admission each year. There was a time when denominational loyalty or other standard expectations determined the student bodies of the seminaries. Today, with the widespread ecumenical spirit in theological education, competition among the schools is more intense.

A significant new feature of American church life is the growing attention to the identification, recruitment, and empowering of ministerial students from the so-called ethnic communities. The missional emphases of most major denominations today include attention to this urgent need. The rapidly growing ethnic communities of blacks, Hispanics, Asians, native American, and Pacific peoples present an urgent recruiting opportunity for the theological seminary.

Trustees can become aware of the work of the admissions office. The administration might report to the board the data on each entering class and the progress in the recruitment program in meeting goals. Trustees can play a significant role themselves in being alert to recruitment possibilities in their professional work and travel. A trustee is the best spokesperson for a school.

It is useful for the office of admissions to establish realistic planning goals. Admissions people should be encouraged to determine how many new students they intend to recruit, from what geographical areas, under what scholarship and tuition support programs, and with what grade-point averages. The board should establish suitable policy guidelines. If, for example, the board decides that it wants students with good undergraduate scholastic records, certain targets must be set. If a seminary intends to increase its percentage of women or ethnics in the student body, other strategies need to be determined and monitored.

Without a vision for the kind of school that the trustees expect, events and circumstance will determine the character of the seminary. With a stated vision, clearly articulated in terms of goals, the board and administration can shape it.

5. *Assessment of quality of graduates:* An important part of any school is its alumni group. Trustees will want to support the administration in its work of linking the graduates of the school into a strong, supportive community. These persons, knowing the school best, will be of great usefulness in recruiting, development, identifying potential donors, and telling the story of the seminary. Some seminaries include alumni/ae representatives on the board itself to symbolize the connections between history and affection on the one side and governance and future of the seminary on the other.

While the development of programs of continuing attention to graduates is important for reasons stated above, there is a further reason that bears directly upon the trustees' responsibility for academic life. It is important for the board to find ways of assessing the quality of their graduates. This requires monitoring professional performance, career satisfaction, and the sense of fulfillment in one's vocation. This is important for fundamental human reasons. A school ought to care enough for its students to maintain affectionate and caring relationships with them throughout a career. But beyond that, following the graduates is a way to measure the effectiveness of the seminary's program, a way of "testing the product." While that manufacturing metaphor may not be appropriate for a seminary, nevertheless, a seminary may be judged better by talking to graduates who have had some years in the ministry and probably have tested in their own work the quality of their education.

One seminary developed an instrument it shared with graduates in their fifth, 10th, and 15th year out of seminary. From the data gathered, the administration and trustees discovered which parts of the curriculum were deemed by the former students to be most useful, where weaknesses were apparent, and where they hoped the school would strengthen preparation for ministry.

6. *Library development:* The quality of the seminary library is a critical element in the overall quality of the school. Accrediting agencies always place the library high on their list to be examined in determining and evaluating the school. The library committee of the faculty, working with the academic administration, ought to be aggressive in pressing for adequate budget for accessions, appropriate staff, and faculty activity in development of the collection. The academic affairs committee of the board needs to be aware of the importance of the library in the academic life of the school. This may include consultation with the librarian about needs, regular monitoring of the relation to the curriculum of library resources, and advocacy in the board and elsewhere in the library's program.

Here, as in other sectors, the academic affairs committee should urge the faculty to have a plan for library development. This plan should grow out of the vision that the school has for itself, including in that vision the bibliographic needs. Libraries today are very costly to maintain. Library collections must be made carefully, and trustees must exercise initiative and support for administrators in the management of this major asset.

Sometimes retired clergy give their personal libraries to the seminary, and this gesture of helpfulness needs to be understood and appreciated. Often, however, the precise needs of the library are for collections that are exceptional and for periodicals that are expensive. Today, with computer technology well established in library management, even more complex decisions will need to be made. Trustees need to be alert to the importance of the library as a capital asset in the institution. The American Theological Library Association is the professional group of librarians working in seminaries. Their publications are familiar to your librarian and will provide interested trustees with information on many issues related to the librarians' work.

In each of the six points mentioned, there is an important element of academic quality at stake in the seminary. It is the thesis of this chapter that trustees who are members of an academic affairs committee will exercise special interest and care in these areas. If it is accepted that the responsibility of the trustees is for the ultimate well-being of the school, then appropriate attention to the six areas will engender a future of academic quality.

Board responsibility for the quality of a school is shared with the academic administrator and the faculty. Trustees should first of all assure themselves that the administrators and faculty care about quality, and should provide a clear vote of confidence in a caring leadership and faculty. While it is essential that trustees pay attention to fiscal and maintenance issues, the heart of the matter remains the vitality of the school as a school. That requires of trustees not simply a passive, ceremonial role but an active involvement with the administration in understanding, supporting, and articulating the vision of the school.

A healthy seminary is one in which the various elements—students, faculty, administration, and trustees—understand their roles and responsibilities each to the other. Trustees must exercise restraint in intervention in the work of the other sectors. Their constant responsibility is to work through appropriate administrators—the president or dean. But initiatives taken with the administration and faculty can be very productive and even decisive for the well-being of the school. Trustees are ultimately responsible for the quality of the academic life of the seminary. Therefore, an inescapable trustee role is to actively urge excellence in all areas of academic life.

Self-Review Questions

1. To whom does the academic committee of the board relate: president, dean, faculty committee on studies, students?
2. Does the academic committee receive regular information reports from the administration in the areas with which it is occupied?
3. Does the academic committee review on a regular basis the documents which are normative for the academic life of the school: the catalogue, faculty handbook, etc.?
4. Is the governing board as a whole cognizant of its responsibility for the quality of the academic program? Has the academic committee an educational role in this respect?
5. Has the academic committee established its priorities for attention among the six major areas of concern listed in this chapter?

Suggested Further Reading

Martin Meyerson, "Overseeing Academic Programs," in *Handbook of College and University Trusteeship*, San Francisco: Jossey-Bass, Inc., 1980.

CHAPTER NINE

Badgett Dillard

FINANCIAL AND PHYSICAL ASSET MANAGEMENT

Trustees have the responsibility of monitoring financial and physical asset management. They need to understand fund accounting, by which a school's income is classified according to its purpose, and typically divided among current fund, loan fund, endowment fund, and plant fund. Financial statements are made available to the board at the end of each fiscal year. Presentation of the operating and capital budgets for the coming year should include a comparison with the previous year and an explanation of major changes. The management of investments is a significant trustee function, and in some jurisdictions may not be delegated. The board should also actively monitor management of physical plant through a committee of the board. An asset management checklist can be helpful to trustees executing responsibilities in this area.

Finances and physical facilities are essential to the accomplishment of institutional purpose. Good management of these essential resources does not in itself guarantee success in accomplishing purpose and achieving goals, but poor management will make success more difficult and reflect poor stewardship as well. Often, the key to success is thought to be more resources, when in fact attention needs to be focused on better management of the resources which are available.

While the management of financial and physical assets (except endowment) is the responsibility of staff and not trustees, the trustees have the responsibility of monitoring the management of these assets to be sure that they are managed effectively and that they make the greatest possible contribution to the accomplishment of the institution's purpose and the achievement of its goals.

Understanding the Assets

The first step toward achieving an understanding of the assets of a theological school is to understand fund accounting, the standard method of recording and reporting all of the assets of institutions of higher education. Unlike a business enterprise, which derives its income from the sale of goods and services, a theological school receives income from a variety of sources, and the sources often specify the purpose for which the money is to be used. Fund accounting provides for all income to be classified according to its purpose, and makes it possible for the trustees to exercise their fiduciary responsibility and assure that funds are used for their intended purposes.

Typically, the assets of a theological school are divided among the following funds: current fund, loan fund, endowment fund, and plant fund.

The *current fund* includes all unrestricted funds available for current operations, plus other receipts for current operations that have donor restrictions related to their use.

The *loan fund* includes all funds of the school available for loans to students, faculty, and staff.

The *endowment fund,* usually identified as endowment and similar funds (or endowment and quasi-endowment funds), includes all funds for which the corpus, or principal, must be held in perpetuity—or for a defined length of time—and the income spent for the accomplishment of the institution's purpose. "Endowment funds" are so designated by the donors, and may be restricted or unrestricted as to the use of income. "Quasi-endowment funds," placed in this category by action of the board of trustees, function as endowment funds. Quasi-endowment funds must be so identified, but they are treated the same as endowment funds. The trustees may, however, at their discretion, transfer quasi-endowment funds to any other fund except the endowment fund.

The *plant fund* includes both expended and unexpended funds for major improvements and additions related to buildings, grounds, and equipment. (Expenditures for the operation and maintenance of the physical plant are current fund expenditures.) The expended part of the plant fund reflects the value of all plant assets, normally at cost, while the unexpended part shows the funds available to be spent for plant assets.

Two other funds that sometimes appear in Balance Sheets are the annuity fund and the agency fund.

The *annuity fund* includes all gifts from which the donor or other donor-designated beneficiary receives a life income. Upon the death of the beneficiary of an annuity gift, the unused portion of the gift is transferred to the appropriate fund in accordance with the terms of the gift. An annuity gift designated for endowment, for example, will be transferred to the endowment fund. An annuity gift that is neither designated nor restricted by the donor will be transferred to the current fund (unrestricted) unless the board of trustees directs otherwise by policy or specific action. (Some boards, by policy, transfer all such gifts to the quasi-endowment fund.)

The *agency fund* is made up of funds for which the school serves as custodian. Typically, these are funds belonging to school-related organizations.

If the trustees specify the purpose for which money within a fund is to be used, that money is identified as "designated." If the purpose is specified by the donor, the money is identified as "restricted." Trustees may change designations. They may not change restrictions. Staff may not change either.

It is possible for the assets of any fund to include both designated and undesignated funds and restricted and unrestricted funds. The following practices for handling the various funds should be stated explicitly by the board of trustees and adhered to by both trustees and staff.

- Endowment funds shall be held inviolate, and only income may be spent.
- Restricted funds shall be used only for the purpose specified by the donor.
- Designated funds shall be used only for the purpose designated by the board of trustees.
- Interfund borrowing may not be done except with the prior approval of the board of trustees or the trustee committee to which authority has been delegated by the board.
- The transfer of funds from one fund to another shall require the approval of the board of trustees or the trustee committee to which authority has been delegated by the board.

Financial Statements

The financial statements of a theological school normally include a balance sheet, a statement of changes in fund balances, and a statement of current fund revenues, expenditures, and other changes. These statements should be prepared and made available to the board of trustees at least annually, following the end of the fiscal year. They may also be prepared monthly and/or quarterly for management purposes.

The *balance sheet* of a theological school is not unlike that of any other enterprise, except that assets, liabilities, and fund balances are shown by various fund groups in accordance with standard practice in higher education. For each fund, the balance sheet shows assets, liabilities, and fund balance as of the date indicated.

The *statement of changes in fund balances* shows financial activity during the accounting period covered, and provides information about how various transactions have affected each fund. The financial health of the institution, on date of the statement, can be compared with the health of the institution at an earlier date by examining all of the fund balances. Balances at the beginning and the end of the fiscal year appear on the statement.

The examination of a single fund balance can be misleading. For example, the current fund balance may be down dramatically from the previous year, because the trustees authorized the transfer of current funds to the plant fund for a major building project; or the endowment fund balance may have dropped because quasi-endowment funds were transferred to the current fund to avoid a deficit. To understand the financial health of the institution, it is necessary to observe not only the individual funds but also the interaction among the various funds.

The *statement of current fund revenues, expenditures, and other changes* provides detailed information about income, expenditures, and other changes for the accounting period covered, but only for the current fund. Restricted current funds may be shown as current fund revenue only when the funds are expended for their restricted purpose.

Auditors and the Audit

Financial reports should be examined by external auditors at the end of each fiscal year. It is the responsibility of trustees to select the auditors and to name an audit committee from the board to work with the auditors in defining their assignment and, after the audit has been completed, to discuss with them their findings and recommendations.

The work of the auditors is defined in the *Audit Guide for Colleges and Universities,* which is published by the American Institute of Certified Public Accountants. The auditors examine procedures for receiving and paying out funds, examine internal controls to be sure that they are adequate, and certify that the financial statements are in accord with generally accepted standards.

Their findings and recommendations should be included in a management letter addressed to the board of trustees. When their examination is complete, the auditors should meet first with the chief business officer and the president of the school to discuss their findings and recommendations, then privately with the audit committee to review the audited financial statements, the management letter, and the written response of the fiscal officer to any recommendations included in the management letter.

A copy of the audited financial statements—commonly referred to as "the audit"—should be made available to each trustee; and the audit committee should report to the board of trustees on its meeting with the auditors, and present to the trustees for consideration any matters from the report of the auditors that require trustee action.

In addition to the work of the external auditors, there is an internal auditing function of continuing review of policies and procedures for the handling of funds in various offices of the school. In large universities this function is performed by a full-time staff person. In a theological school, it should be made a part of the responsibilities of a staff member who is knowledgeable about finances.

Planning and Managing Financial Assets

Planning for the management of financial assets begins with the *operating budget,* which should be prepared by the staff and approved by the board of trustees after careful review by an appropriate committee of the board.

The operating budget is a financial statement of the plans for the year ahead. It should be developed with the full participation of academic leadership. While the business officer will need to provide technical assistance and information about anticipated revenues, it is imperative that academic leadership participate in recommending the allocation of resources.

When the budget is presented to the board of trustees for approval, the presentation should include a comparison with the previous year, and an explanation of major changes. Major changes will include such matters as programs added or dropped and salary and wage adjustments recommended for the year ahead. Attention should also be called to ways in which the budget reflects long-range plans previously approved by the board of trustees.

While final authority and responsibility for the budget rests with the board of trustees, a wise board will avoid a line-by-line examination but rather devote its attention to broad policies and priorities reflected in the budget.

Once approved, the operating budget becomes the financial guide for the year ahead. Monthly reports of income and expenses should be provided on a timely basis to each staff person who has responsibility for managing any part of the institution. Such reports should show the relationship between income and budget and between expenditures and budget.

Guidelines should have been recommended by the administration and adopted by the board on such matters as over-spending in relation to the budget. Flexibility should be allowed with line items, and provision should be made for emergency adjustments; but the trustee expectation of working within the budget should be made clear.

Similar procedures should be followed with reference to the *capital budget,* which should be prepared on an annual basis and also approved by the board of trustees. The capital budget should include all anticipated expenditures not a part of the operating budget, and should show the sources of funds for these expenditures. As with the operating budget, procedures should be established by the board for emergency purchases to be made, with appropriate accountability.

At the end of each fiscal year, the appropriate committee of the board—normally designated the finance committee—should review the income and expense report for the year in relation to the budget. Explanations of any significant deviations should be provided by the staff. While a full review of the financial documents may be the responsibility of a specific committee, all of the documents should be made available to the entire board of trustees; and members of the board who are not on the committee should feel free to inquire about any aspect of the financial reports.

The *management of investments* is one of the most significant responsibilities of a board of trustees. It is not unusual for the fiscal officer of a school to be responsible for managing any excess cash in the current fund, but trustees normally retain responsibility for the investment of endowment and quasi-endowment funds.

This responsibility can be delegated by the trustees to an investment manager in states that have adopted the Uniform Management of Institutional Funds Act. The act was drafted in 1972 by the National Conference of Commissioners on Uniform State Laws. It was prepared as a model act to remove uncertainties with respect to the nature of eleemosynary corporations, particularly colleges and universities, and to the powers of their governing boards in the area of investment management. By 1981, it had been adopted by 28 states and the District of Columbia. The act provides:

- A standard of prudent use of appreciation of invested funds.
- Specific investment authority.
- Authority to delegate the investment decisions.
- A standard of business care and prudence to guide governing boards in the exercise of their duties under the act.
- A method of releasing restrictions on the use of funds or selection of investments by donor acquiescence or court action.

In other states, where it is not possible to delegate responsibility to an investment manager, or where trustees prefer to retain responsibility for all investment decisions, investment management may be assigned to a committee of the board of trustees. That committee, in turn, may employ an investment advisor who will make recommendations the committee may accept or reject.

If there is an investment committee, its duties and responsibilities should be carefully defined by the board, and any delegation of authority by the committee should be approved by the board. Whether investment decisions are made by an investment manager or by a committee of the board, policies should be established by the board on such matters as performance objectives, determining spendable income, compliance with donor restrictions, and social responsibility.

An appropriate *performance objective* for an endowment fund is to provide sufficient growth in principal to retain the purchasing power of the portfolio and income equal to the increase in the consumer price index. Performance should be compared annually with such well-known indexes as the Dow-Jones Industrial Average and Standard & Poor's 500 Stock Index. A managed endowment fund should be expected to perform as well as or better than the funds represented by these unmanaged indexes.

Performance objectives are directly related to the question of *determining spendable income*. Should the institution spend all realized earnings (interest and dividends), or should spending be based on a percentage of the portfolio's value, including earnings? Or should spendable income from endowment be determined on an incremental basis, whereby the amount for current operations is increased by a fixed percentage each year without regard to either realized earnings or the value of the portfolio? The response to the question of how to determine spendable income requires the board of trustees to deal with the complex issue of balancing current needs and future needs.

The intention that *donor restrictions* are to be complied with should be clearly stated by the board and honored by the staff. Gifts should not be accepted if they cannot be used for the purpose specified by the donor. If subsequent developments make it impossible to use a gift for the purpose specified, reallocation should be made only with the permission of the donor or, if the donor is deceased, permission of the court.

Trustees must also deal with the issue of *social responsibility* in investing institutional endowment funds. Is it acceptable to be concerned only with income and protection of principal, or must investment policy take into account company policies with reference to apartheid and South Africa, for example? Different schools answer the question of social responsibility in different ways, but it is a question which requires an answer.

Planning and Managing Physical Assets

Facilities planning and management is just as important as financial planning and management. Facilities planning should be an ongoing process with participation by various segments of the seminary community.

Planning should result in a campus master plan approved by the board of trustees. Such a plan should be developed in response to the program planning of the school and should be designed to insure that the facilities are adequate to meet the needs of the programs. It should be kept current, and should reflect not only anticipated additions to facilities, but also major improvements in existing facilities. (See chapter 6, "Planning: Mission, Goals, Programs.")

While the management of facilities is

properly an administrative responsibility normally assigned to a person designated superintendent of buildings and grounds, director of physical plant or a similar title, the board of trustees should relate to this aspect of the school through a committee of the board.

The committee will provide counsel to the staff in matters related to the planning and management of facilities, and will serve as the body through which the chief executive officer of the school brings facilities recommendations to the board for action. Through its committee, the board of trustees will want to be sure that plans for new facilities are based on actual needs to meet program requirements, that existing facilities are adequately maintained, and that wise decisions are made with reference to construction of new facilities and the conversion and renovation of existing facilities.

In the allocation of financial resources, care must be taken to maintain an appropriate balance between the ever-present need to improve salaries and the equally important need to maintain facilities. Both should receive high priority. When funds are less than adequate, the problem is often solved by deferring maintenance. But accumulated deferred maintenance is just as serious as an accumulated deficit in the current fund, for the time will come when both must be eliminated if the school is to remain healthy. Trustees should be as concerned about a maintenance deficit as they are about a current fund deficit. They can help the school to avoid such a deficit by inspecting the facilities on a regular basis, defining an acceptable level of maintenance, and assuring that the annual budgets of the school include adequate provision for maintenance and renovation.

Even masonry buildings that appear to have been built to last indefinitely require major renovation periodically because of changing building codes, because wiring and plumbing need replacing, or because spiraling energy costs dictate changes to effect savings. When such renovation occurs, the trustees should be sure that the changes go beyond response to the immediate situation and anticipate future needs to the maximum extent possible.

Trustees should be involved in decisions relating to new construction at the following points: (1) approval of the program that requires the facility; (2) agreement that it needs to be built; (3) selection of the architect; and (4) approval of the plans. In addition, the trustees should receive regular progress reports and be sure that the work is being properly monitored during the construction period. Any problems relating to the construction, and the way in which problems were handled by the administration, should be reported to the board of trustees through the appropriate committee.

Asset Management Checklist

Trustees of theological schools will find it helpful to know the answers to the following questions about the management of financial and physical assets of their institution. If they are to achieve the high goal of good stewardship, the answer, in every case, should be yes.

1. Are the finances and facilities adequate to provide an acceptable level of support for the programs of the school?
2. Are annual operating and capital budgets developed by the administration and approved by the board?
3. Are the budgets balanced?
4. Does the school live within the budgets approved by the board?
5. Is there an annual audit of the financial reports?
6. Is there a management letter from the auditors to the board of trustees?
7. Is there an audit committee of the board of trustees?
8. Has the board developed and adop-

ted policies relating to the management of the various funds of the school?

9. Are the physical assets of the school adequately insured?

10. Are the physical assets of the school being maintained at an acceptable level of quality?

11. Is there a campus master plan approved by the board?

12. Is there an established planning process?

13. Is the purchasing power of the endowment being maintained?

14. Have the trustees developed investment guidelines for the endowment?

Suggested Further Readings

Association of Governing Boards of Universities and Colleges and the National Association of College and University Business Officers, *Financial Responsibilities of Governing Boards of Colleges and Universities,* Washington, D.C.: AGB and NACUBO, 1979.

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CHAPTER TEN

William L. Baumgaertner

ACCOUNTABILITY TO CHURCH AND STATE

Accountability in the American theological school takes place in the historical contexts of clerical education and voluntary trusteeship. Denominations relate to their schools in a variety of ways, and trustees must ask themselves appropriate questions to determine the accountability relationship for their respective institutions. Another major form of accountability is through the accreditation system of higher education, which involves site visits by accreditation teams composed of staff members of peer institutions, principally to review program quality. A theological school normally seeks accreditation first from the Association of Theological Schools (ATS). Through a variety of statutory agencies, schools also have accountability relations with federal, state, and provincial governments.

One of the complexities proper to a theological school is that it operates both in the public forum of higher education and in the forum of the faith community known as church. And so the theological school must render an account of its service to the same authorities as other institutions at the graduate level as well as to the denomination that supports the school and has given it the mission of training an educated clergy. Trustees will find it easier to take the measure of this double forum if they know not only what are the expectations of the denomination but also something of the historical background of theological education and of lay trusteeship. This chapter will also summarize the ways in which the normal channels of accountability in higher education touch theological schools: the role of the accreditation process, and the concerns of all government levels.

Historical Background of the Schools

Theological schools that prepare an ordained ministry for the church have a unique history whose broad outlines can help a board member understand the complexity of their relationship to church. These schools reflect in a very special way the theological ideal of the university. The university and the old *studium generale* of the late Middle Ages represented a vision. The university was a community of scholars that expressed in a significant way our hope that through self-discipline and through the integration of faith and reason we might set aright the darkening of the mind, the grievous effect of the Fall. This community of scholars would safeguard knowledge, both human and divine, and would assure that it be handed down from one generation to the next.

In the Biblical "wilderness" (desert), which tested and purified one's vision, the university became a "paradise" (garden) of learning. Within its walls was carried on the "learned warfare," the counterpart of the "spiritual warfare" of the mystic. And did not the medieval monastic community with choral prayer and monastery school serve the same two purposes as a university forerunner?

These Biblical metaphors are still there in the background of most of our campuses, and we do well to be mindful of this in exercising the right of governance. If for their part the schools have a sense of freedom in pursuit of their goals, this has distinct Biblical roots. And the state for its part, in a tradition going back to the early Greeks, has recognized to a greater or lesser degree that in addressing higher education it is dealing with institutions purposefully diffuse in their structure. The most important functions these institutions undertake in the pursuit of truth are carried out in a very decentralized way that does not lend itself to close legislation and control.

These schools have served the church well in preparing a learned, well-educated clergy. But this tradition has itself long been in tension with direct inspiration and the movement toward free ordination. The distrust of learning has a long history and its own Biblical roots. This anti-intellectualism reflects a distrust based on the concept of Adam's sin and his desire to eat of the fruit of the tree of knowledge.

The response of the churches has been persistence in entrusting to a trained and educated clergy the handing on of the truths of faith. Prior to the 16th century, clergy had been educated privately, to a lesser extent in cathedral schools, and still more rarely in universities. The legislation of the Council of Trent in the mid-16th century, however, specified for the Catholic Church that bishops were to establish separate seminaries to prepare a disciplined, spiritual, and educated clergy—legislation that took almost a century to be implemented. These directives were continued and updated by the Second Vatican Council. The first Catholic theological school in Canada was established in Quebec City in 1663, the Grand Seminaire. The earliest in the U.S. was St. Mary's Seminary, Baltimore, in 1791.

Protestant seminaries in the U.S. trace their origin to early colleges such as Harvard (1636) and Dartmouth (1769), which were founded to train ministers and magistrates. And the "magisterial" Geneva gown is still worn by professors, ministers, and judges. The original colleges offered a general education in the humanities and often a special year or two for those advancing to ministry. With the founding of Andover Theological Seminary in 1808 as a separate theological school in protest against the broader humanistic spirit of Harvard, the movement grew rapidly for each denomination to have its own seminary to perpetuate the special doctrine of the sect. For Protestantism we are in the first 150 years of a tradition of separate theological schools.

The History of Trusteeship

Voluntary trusteeship has its own fascinating history. An understanding of its development can help us as trustees know its place in governance and temper our expectations of the institution.

The American universities and theological schools were jealous of their autonomy and sovereignty, fearful of encroachment by the state or by other churches. The earliest ones grew out of a Congregationalist tradition of the governing board, responsible for the school, for holding it in public trust, observant of its mission and assuring its freedom and future. The trustees received the charter and held the school accountable for its mission. By reason of the special and critical service of such schools to the church body, theirs would be a most important if often delicate task. Governance by trustees served to limit any monopoly of power, whether of faculty, a single administrator, a government commissioner, or church acting by itself. The American experience followed the tradition, for example, of the Church of Scotland, which placed in the hands of lay elders the education of ministers; and of some Italian city-states, which appointed citizen boards as mediators between students and faculty. It departed from the tradition of Paris, Oxford, and Cambridge, where the faculty governed the college.

The rapid growth of voluntary lay trusteeship as an American phenomenon followed on a trait proper to these shores. There was in our tradition of democracy a readiness to respond to a local need by founding a committee that private citizens would set up without reference to any bureaucracy. With this arrangement of governance our schools have a privileged status, to a large extent beyond the law but not contrary to the law. In most of Europe their counterparts are governed directly by the state or by special agreements between church and state. What is unique in America is that an unpaid group of volunteers will serve in a policy role for the institution. They will assist the head of the school to achieve the objectives they themselves helped legislate. And the most interesting thing is that they respond generously to the challenge, far beyond the call of duty. The theological school calls on the faith commitment of its trustees as they assume a share in a governance that itself touches closely an attribute proper to the Lord and Master who loves and disposes well for His people.

Accountability to the Denomination

Churches have naturally maintained close relations with their theological schools. Many see such schools as arms of the church. The mission to preach the Gospel to all nations is at the core of the church. Is not the teaching of theology to those who will minister that faith a privileged expression of that mission? Small wonder that many denominations establish more or less determinate norms for such theological teaching as an expression of fidelity to their own mission. Even the frequent anxiety about what is taught, about life-style, about an ivory-tower approach to faith, is evidence of the high expectations for the education of ministers.

It would be impossible to catalog, short of a volume, the full spectrum of the ways in which denominations relate to their schools. Suffice it to say that the mission of a theological school is unique by comparison with other graduate programs; it alone has the responsibility for the academic teaching together with the practical professional training and the spiritual maturing of the student. This sets the theological school off from the others as a school—or as a department or college in a university.

The following questions will indicate a path of self-interrogation that covers some of the principal points in the relationship of school to church, to be answered according to the tradition and practice of each denomination. University-related schools will have, in addition to their relationship to one or more denominations, the active relationship to other departments of the university with scholarly exchange and consequent expectations. Our umbrella question will be, "How does the denomination exercise general oversight and control?"

Does the denomination have a plan for the distribution of theological schools on a national basis? Over the past 20 years most denominations have moved in this direction with varying degrees of success. Theological schools that sprang up as the American frontier opened are being regrouped and often consolidated. The better use of financial and personnel resources is strong motivation for this move; likewise, the desire to locate schools in areas with more adequate educational resources for improved and expanded programs. The importance of a lively community of learning ranks with the need of a vigorous church constituency for a theological school's healthy development.

What are the expectations of the denomination with regard to the scope of the programs to be offered by the school? Is the school expected to sponsor programs for other ministries beyond the ordained ministry, for other denominational teachers, for continuing education? Is the school to be a center of theological research for the denomination, a focus for critical reflection on the tradition? How strong a commitment is there to support such research with the attendant needs for faculty and library resources? Often schools are left on their own in making these decisions, receiving at best mixed signals from the denomination. What diversification of programs, what areas of specialization are consonant with the overall mission of the school and with the level of quality to which it is committed? As a trustee I am concerned that such decisions be made in dialogue with the denomination.

Does the denomination have general legislation, worldwide or national, governing the policy of its theological schools? Church law is an expression of theology, of the denomination's vision of itself, of its ecclesiology; it will reflect how the church understands its life, its relationship to Christ and the Spirit. A new vision, a new self-understanding of church, will call for new law. Church law will then be instrumental in facilitating the mission of church. As a trustee I shall be concerned to understand the role of church law inasmuch as it will have important bearing on the theological school's mission and goals.

Are there creedal documents or confessional statements by which the academic program of the school will be measured? A candidate will be called to ministry in a given denomination on the condition of fidelity to its tradition of faith. The theological school must not only be aware of this tradition but be in dialogue with the church regarding its understanding of the implications of that tradition for the present life of the church.

Through which instrumentalities does the denomination exercise its general oversight and control? Is there a multitiered structure of governance between the General Convention or the Council of Bishops and the school? Is control exercised through the appointment of some or all of the trustees/regents? As a trustee it will be important for me to know what kind of policy decisions are made at each level. It will also be my concern to see that the school has by statute the autonomy necessary to fulfill its own academic and professional goals as well as its responsible commitments to the ecclesial community, its traditions, and pastoral needs.

Can I identify the policy by which a given denomination relates to its theological schools? By reason of its own self-understanding a denomination will generate a compatible framework for its theological schools. For example, the American Baptist Convention sees its schools as autonomous, free to act without the concurrence of the denomination, but invited to strong fellowship and to cooperation among the schools. This reflects the autonomy of the local church, which is the focus of that denomination. The denomination does assume a responsibility for a certain level of financial support for its institutions.

The American Lutheran Church by contrast has but one theological seminary, with branches or schools on several campuses. There is strong denominational control, so that the schools will be unified in purpose, uniform in policies, and coordinated in programs. Fidelity to the Lutheran tradition is central.

A prospectus of other denominations parallel to the preceding two would reveal varying degrees of church control and financial support over a broad spectrum. The theological school's accountability will normally be exercised in response to the church's initiative. As a trustee it will be most helpful for me in forging new policy or program paths for the school to have an understanding of church policy with respect to the theological school which I serve.

As a trustee I must be sensitive to the changing needs of the church, while exercising a fidelity to the denomination's tradition. I would hope to keep abreast of some of the major theological developments and be aware of their influence on ministry and theological education programs for ministry. I shall be sensitive at the same time to the need of my theological school for adequate freedom to serve its goals and for adequate channels of financial support to assure its future.

Accreditation

Another important avenue of accountability, one which theological seminaries share with the rest of the higher education community, is that of accreditation. This is a system basically of peer evaluation initiated early in the century either by voluntary private associations of schools, which organized on a regional basis, or by professional associations limited to a determinate type of professional program. That program might be the sole purpose of a school or part of a more diversified school.

The accreditation process deserves strong trustee support. It is one of the surest ways for the governing board to exercise its responsibility of surveillance. Trustees should not only be open to the process but also willing to give time to assist their school by being available at all steps in the process of accreditation. Trustees can meet with the school administrators prior to the visit; they may be observers during the visit by the accrediting team or even at times be invited to serve on such a team. These accrediting associations have as their first purpose the support of high standards of quality in the educational program and of academic integrity. They send visiting teams, composed of staff members of peer institutions, to review the quality of a given program, to offer recommendations for improvement, and to recommend—or withhold—accreditation according to the standards voted on by the members of the association. A counterpart in industry would be the trade associations organized to support standards and assist a given segment of industry.

Important for the trustee is a recognition that accreditation will be concerned with financial accountability in the operation of a school; but accreditation is not an appropriate mechanism for assessing an institution's long-term fiscal stability. Important above all is a proper understanding of the process to avoid misperceptions and improper expectations. The accreditation procedure, for example, can never be used as a device for dealing with doctrinal differences, differences in style of life, or ecclesiastical schism. Accreditation is not an absolute guarantee of quality. Part of its success will depend on the quality of the visiting team of peers, but a more important factor is the self-study done by the school in preparation for the visit. A school should normally come out of an accreditation reinforced in the sense of its mission, encouraged and renewed by the supportive critical contact with peers. Accreditation fosters accountability, and accountability as we well know is the price of freedom for our schools.

The Council on Postsecondary Accreditation (COPA) is a Washington-based agency that coordinates the work of the regional and professional accrediting agencies. It serves to assure the integrity of the accrediting agencies by holding them accountable for certain common procedural standards. COPA defines accreditation as a third-party examination and evaluation, usually by peers, through some mutually agreed-upon process in order to arrive at a quality determination of that which is being examined. Among the accepted purposes of the process, which involves an extensive self-study by the school in preparation for the visit, are the following:

- to foster excellence in education through the development of criteria for assessing educational effectiveness;
- to encourage improvement through continuous self-study and planning;
- to assure the educational community, the general public, and other agencies that an institution or program has clearly defined objectives and maintains conditions under which their achievement can be expected;
- to provide counsel and assistance to established and developing institutions and programs.

Although the accreditation process, with multiple reports and studies it entails, can be burdensome for a school, it should not be felt as an imposition or an intrusion, but as a help. At the same time, the public should not view accreditation as some sort of Good Housekeeping Seal of Approval. Neither should it be viewed, as its development makes clear, as an operating arm of the federal government.

Trustees will do well to support their school in the demanding process of self-study. They will find themselves involved in the process since most agencies ask that trustees meet with the accrediting team. The agencies are concerned for the level of support manifested by the trustees and for their perspective on the future of the school. After the final report is received, trustees will review it in light of implementing the recommendations of the team. The entire process will give trustees a privileged view of the strengths and weaknesses of the school.

A theological school will normally seek accreditation first of all from the Association of Theological Schools (ATS) in the United States and Canada, a professional association that adopted accrediting standards for theological programs in 1936. The ATS is restricted to graduate-level programs. Bible colleges have their own accrediting association.

In addition to these *professional* associations, we also have six *regional* agencies in the United States that accredit the school as a whole—rather than programs within a school—within their geographical area. These are the New England Association, the Southern Association, the Middle States Association, the North Central Association, the Northwest Association, and the Western Association. There is no counterpart of these agencies in Canada. Each of these regional agencies also accepts applications from schools of theology for accreditation, and the Association of Theological Schools has developed working relationships with each of them to facilitate this dual or parallel process. The procedure generally calls for a joint visiting team, with a separate report for each agency. Accreditation by the regional agency brings the theological school into the larger orbit of private and public colleges and universities, with the benefits of exchange that ensue.

Relationship to State, Provincial, Federal Governments

The question of accountability is complicated by the interest of the state, provincial, and national governments in the legitimacy and the quality of the educational endeavor. The success of a democratic system of government is dependent on an educated constituency; government at all levels channels monies in support of education, either by direct grants to the school or the student, or by exempting the school from taxation or other fees levied against other institutions. In the United States theological schools are excluded from most federal grant programs; however, students are eligible for programs that directly support the student rather than the school.

Federal legislation touches theological schools marginally, to the extent that they accept federal funds for students or that safety legislation, e.g., the Occupational Safety & Health Administration (OSHA), includes all schools. Trustees will do well to monitor legislation regarding discrimination in admissions or in hiring and to see that the bylaws of the school state clearly the institution's policies. (See Appendix III, *Guidelines for Bylaw Development*.)

With the passage of the Korean War GI Bill in 1952, the U.S. Office of Education established a Division of Eligibility and Agency Evaluation to determine eligibility for federal funding, especially for veterans. This agency listed the recognized accrediting agencies and later served to monitor their credentials. Other government agencies likewise used the listing for funding eligibility. At the same time, this division maintained a listing of accredited schools to facilitate the transfer of credit from our schools to foreign universities. When the Division of Eligibility and Agency Evaluation (DEAE) established criteria for the recognition of accrediting agencies, it was accepting as a fact that private agencies had become quasi-public in character.

Though tensions are inherent in the relationship of federal government and private agencies, DEAE has a well-established record of providing support for private accreditation. No viable substitute has been found for accreditation in judgments about the quality of institutions or programs seeking to participate in federal funding programs.

The charter under which a school offers programs and grants degrees is normally issued by the state or province. Arguments over responsibility for education regularly serve to remind us that in the United States the primary responsibility at all levels rests both constitutionally and historically as a reserved power with the states. The power of a Canadian province to grant a charter and to determine who may grant a degree parallels this. The state is inclined to see its role as chartering and determining the legitimacy of the school. Thus a majority of states have instituted a process of registering and approving all private postsecondary institutions, with courses and programs leading to academic degrees. Schools apply annually for this "licensing" by filing a lengthy statistical report, a requirement that has been successfully challenged by theological schools in at least one state.

The interest of the state appears here also in the guise of consumer protection, requiring minimum standards of educational responsibility. State agencies like to raise the question of whether the federal government, by relying on private accreditation judgments for eligibility or certification, might have a tendency to distort the entire accreditation process. The private agencies in turn question the wisdom of the state's duplicating for all practical purposes the accrediting process. Some states, e.g., New York, have become, through their higher education agencies, the equivalent of a regional accrediting agency. Trustees concerned for the freedom and the future of their school will follow with interest the private agencies as they raise the questions of undue government encroachment, of excessive entanglement of Church and State, or of a duplication of effort that strains the resources of schools.

The distribution of powers described above is frequently referred to as the "accountability triad." This thesis holds that the *state* should be responsible for chartering and determining the legitimacy of schools; the *federal government* should determine eligibility for federal funding; and the *private voluntary accrediting associations* should be concerned to further educational quality. The distinction is neat, but perhaps too "convenient" to encompass the reality.

The Canadian tradition is close to the British university pattern. The theological school or college receives its charter from the province, either in its own right or as part of a university. It grants degrees consequently either in its own right, through the university, or conjointly. While the province exercises close control over who may grant a degree, it normally requires only an annual statistical report from the school. The principal agencies for accreditation are the private ones with both U.S. and Canadian constituencies. Practice varies among the provinces, but many of them make direct grants on a per-student basis to a theological school, recognizing those students as they would other graduate students. The provincial role is again dominant in education by comparison with the federal role.

The overall experience with voluntary private accreditation has been a positive one for theological schools. It has broadened their horizon, enabled them to draw on a greater variety of resources, and challenged their staff to share an experience with other schools at their level. Regional accreditation makes theological education part of the general stream of higher education, and will not allow it to become "ghettoized." The professional agencies continue to offer close programmatic support for the schools. Both agencies help generate regular internal review procedures as part of the normal operation of the school. How preferable this is to an additional outside agency of control, which can so easily be arbitrary in its judgments!

Self-Review Questions

1. What is accreditation? What are its advantages?
2. What denominational agencies in addition to the governing board exercise a responsibility for policy regarding this school? What is their responsibility?
3. What is the role of trustees in the process of school accreditation, school licensing?
4. Does the denomination have an overall plan for the distribution of its theological schools, for their support?
5. Have there been recent major policy changes in the denominational relationships of the school which will affect the policy and the future of the school?

Suggested Further Reading

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CHAPTER ELEVEN

Norbert J. Hruby

WHAT YOU NEED TO KNOW ABOUT PUBLIC RELATIONS

Building public recognition of the seminary is integral to the mission of the school. Each trustee should ask himself, "Is my school well known and respected? Do most of the people in our church know it? Are there important groups who are unaware of its achievements?" The basic purpose of public relations is to enhance the image of the institution. But image follows reality, which means that basically the institution must be achieving its purposes if it is to impress its publics favorably. A seminary's publics include the students, the faculty, the staff, and the board itself, as well as families of students, alumni, the Church, and community. All of these must be supplied with meaningful information. Openness, especially in the financial area, is crucial.

> *As I see churches today—churches of all faiths—they are struggling to shore up a deteriorating society without much sustaining support. . . . Seminaries, in general and as they now stand, are marginal institutions. . . . I sense that they are marginal in their own self-image, in the eyes of their principal constituency, the churches, and in the public view.*
>
> *—Robert K. Greenleaf*

If that statement is true, the seminary has grave public relations problems. It is futile to protest that seminaries, being the specialized institutions they are, have no need for public relations. They have public relations whether they want them or not. Existing in the world, seminaries of necessity are also of the world, and if they are of the world, they have publics with whom they must have relations. The only operative question is this: Are those relations good or bad? If they are thought not to exist, then they are necessarily bad.

Why, specifically, does a theological school need to assure itself of good public relations? First of all, the quality of every seminary program depends on the school's ability to attract outstanding teachers and capable, dedicated students. And if it hopes to maintain high standards of educational excellence it must be able to attract adequate financial support.

Faculty hiring, student recruitment, and financial support are all very much affected by the way potential students, teachers, and donors perceive the institution. Is the seminary well known? Is it recognized for its standards of excellence and for its contributions to the church, the community, and the society?

Building public recognition of the seminary is not a separate, detached function. It is integral to the mission of the school. In light of this what should be the role of the trustees? Perhaps the best way for a trustee to weigh this question is to ask some questions about the institution:

Is my seminary well known and seriously respected in the local community?

Do the majority of people in my church (denomination, region, etc.) know about the seminary? Do they understand how it contributes to church life? Do they have a high regard for the school?

Who is served by the seminary? Do all of these people feel that they are served effectively by it?

Are there important groups who could support the seminary in various ways who are essentially unaware of its role and achievements?

Finally, if the seminary were better known and more highly regarded, would this affect: financial support, student recruitment, faculty recruitment and development, and alumni attitudes?

Public Relations in Higher Education

It is only in the recent past, probably some time between World War I and World War II, that American higher education came to recognize public relations as a management function. Primitive and simple at first, the function began in most colleges and universities as a publicity office, a place where news releases were prepared for the print media. As institutions of higher education boomed in the 1950s and 1960s, and as they came increasingly under the influence of American industry—largely as the result of drawing college and university trustees from the corporate world—the management function of public relations became increasingly sophisticated. As higher education went into "steady state" in the 1970s, the competition for scarce dollars and students sharpened. As public and private colleges and universities vied with one another in "the marketplace," public relations and all its component tools came into full play.

High-priced professional staffs were engaged to create favorable public images. Major commitments were made despite the economies forced elsewhere in college and university budgets.

There is a great deal of evidence to indicate that American higher education prospered after World War II at least partially through its increasingly skillful use of public relations techniques. There is also abundant evidence that higher education suffered when its public relations turned sour during the campus upheavals of the 1960s, residual effects of which are still felt today.

Historically, seminaries were in the first generation of American higher education. In light of the fact that the early colleges in the colonies and in the young United States were seminaries that gradually became secularized into private universities and colleges there is considerable irony in the view that the seminary is now "marginal." Perhaps the seminary must learn from the progeny which its own ancestors spawned.

Public Relations in Seminaries

Founded in most cases by their churches, seminaries have been the dependent children of those churches, and as such they had little need to relate to the public. In many instances they were designed to be insulated from the public. They were and are generally small institutions with minimal administrative overhead, no room in the budget for something as frivolous, as worldly, and above all as expensive as a public relations staff. But the seminary is in the world, and if it is to survive in that world, it must to some degree practice the ways of that world, "for the children of this world are in their generation wiser than the children of light" (*Luke* XVI, 8). The Lord commended the unjust steward not for his crookedness but for his tactical prudence.

If in ordering its budget-making priorities a seminary cannot provide a staff person or persons for the critically important function of generating favorable public relations, then the burden falls squarely on the shoulders of the chief executive officer. Even if the seminary can afford staff, the chief executive officer must be in a real sense the chief public relations officer.

And standing squarely behind the chief executive is the board of trustees. Its first responsibility is to provide the necessary resources for the president to do his job; if it cannot provide the money to hire a professional in public relations, then the trustees individually and collectively must share the burden.

Institutional Image

Whatever definition of public relations one chooses, the purpose of any program, formal or informal, is to *enhance the image of the institution.* Every institution has an image—the way it is perceived by its public. The image may be favorable, unfavorable, or neutral. It may or may not coincide with the reality—but it should. A good image is akin to a good reputation, and should be deserved. If it is, then the institution has a right and, in fact, an obligation to make it known.

This does not mean what is known in commercial public relations as "hype." Hype is of no use to a college, a university, or a seminary. Image enhancement must be absolutely legitimate; typically it is a slow and laborious process. Even if a board of trustees of a seminary decides to make a major commitment of resources to a professional program of public relations, the process is slow in generating perceptible results. Colleges and universities have learned that it takes five or even 10 years to change the public's perception of an institution.

Public Relations at Seminaries

If anything in this chapter should be engraved in stone, it is this: *Image follows reality*. But what is the reality of an institution? What is the reality of this seminary? What purpose does it serve? What is its history? What is its tradition? Whom does it serve? Whom should it serve? How appropriate is its curriculum? How good is the faculty? Are the physical facilities adequate? Are there financial resources for the seminary to do its job?

The answers to these questions collectively are the answer to the basic question: What is the reality of this seminary?

If the purpose of the seminary is to prepare students for the formal ministry or priesthood, and if a secondary purpose is to prepare students for informal ministries, how well is it doing these jobs? If the seminary is not achieving its purposes, there is a more fundamental problem than public relations, one that devolves on the board of trustees, and which calls for institutional self-study monitored by outside professionals.

But let us assume that the seminary is achieving its purposes, that a good curriculum is being well taught by a competent faculty to a responsive student body in reasonably satisfactory facilities. How do we break through the barrier of silence that keeps the seminary an unintentionally well-kept secret from the public?

First, we should take note that no institution has one single "public." Every institution has many publics, many segments of the population with which it has significant relations and which have their own special characteristics.

The Publics of a Seminary

The internal publics of a seminary include the students, the faculty, the staff, and the board of trustees. Students are the first and most important public the seminary has, since they are the reason for its existence. The faculty is the second most, since on its members' professional reputations the image of the school mainly rests. Having some degree of academic freedom (it is to be hoped) or total (it may be feared), they have as much need for gentle persuasion and handling as any constituency the seminary has. The staff too has very real power to help or damage the institution. The disgruntled former employee is not a figment of the Civil Rights Commission's imagination.

The external publics include parents and families of students, the alumni, the Church, other churches, the government (federal, state or provincial, and local), and, finally, the community at large. Families of seminarians, whether or not they pay any large part of the tuition, are potentially a major constituency. The alumni justify the school's existence, and are the measure that outside funding agencies rely on to evaluate the school's worth. Too often the alumni of seminaries lack up-to-date information about their alma mater—a serious public relations failure.

The Church, once the only significant constituency, may now depend on the seminary to be in some way its salvation rather than its dependent offspring. Other churches too are important in an increasingly ecumenical world. So are other seminaries, though cooperation among autonomous free-standing educational institutions of any kind is not easy.

Various government levels are the pervasive, ubiquitous, sometimes cacophonous voice of the people. Separation of church and state is a two-edged sword, and somehow the seminary has to learn to live with this phenomenon in the light of its particular founding church's tradition.

The community at large, to many the real "public," may be the least significant. The seminary must first reach its closer, more focused constituencies before it reaches out to a world that is not hostile but indifferent. With two exceptions, the community at large may be left alone until the other publics have been served. The exceptions are the business and professional segments that may have been targeted for fund raising, and the media.

The news media merit a special warning note, a lesson learned the hard way by more than one college and university. If something goes wrong, if scandal looms, the temptation is strong to gloss it over, to cover it up. As every experienced public-relations person knows, that way lies catastrophe. The way to defuse a scandal is to call in the media at once and tell the whole story. That limits the damage and simultaneously gets the institution credit for integrity and openness, two valuable assets to a reputation.

The Tools of Public Relations

The tools of the trade of public relations are well known and easily employed once the board of trustees, the administration, and the faculty have come to grips with the reality and the purpose of the institution. Publicity in the form of news releases, interviews on the electronic media, significant public events on the campus or events involving key faculty members and administrators, institutional publications such as annual reports, newsletters from the president or board chairperson—all can be readily put in place even by a seminary that has never before seriously considered public relations as a management function.

Even without a professional staff a seminary president can find writing talent, if not in himself then within the institution. That talent can be developed under the tutelage of a professional public relations consultant. More important, the president and board must make some hard decisions on what "interpretative material" is to be released for "public" consumption, always remembering the number of publics and their need for separate and sensitive cultivation.

Critical among these materials is financial information about the seminary. When will the Church learn that openness about finances can do more to offset suspicion than any other single factor? When will institutions of the Church, like seminaries, realize that the odor of sanctity dissipates very quickly if there is even an unreasonable doubt about how funds were raised and where and by whom they were spent?

Role of the Seminary Trustee

The trustee of a seminary is not an administrator. The trustee's task is not to supplant but to support the president, pre-eminently to monitor every phase of the operation, including public relations.

Perhaps it would be useful to remind even experienced trustees that the essence of trusteeship is trust. The seminary is held in trust for its many constituencies, of which the Church is only one, albeit an important one. In another sense, the trustee is representative of the public or at least one or more of the "publics." As such he or she should have a special channel of communication with one or more constituencies. Channels run in two directions. Not only should there be input from the constituency; there should also be interpretative reporting to the constituency—precisely what public relations is all about.

Relationship to Fund Raising

In these times no trustee of any private nonprofit enterprise can disregard his or her responsibility for giving/getting resources to support the institution. The responsibility for marshaling resources is graver and more difficult than for the board of a private college or university. And what is the foundation stone on which any fund-raising program or development effort is based? Good public relations, meaning a true and substantial institutional image.

Ten Commandments of Seminary Public Relations:

1. Image follows reality: thou shalt know and celebrate the truth of thy seminary. Thou shalt not hide thy light under a bushel.
2. Thou shalt not make any false images of thy seminary.
3. Thou shalt not take the name of thy Church in vain.
4. Remember thy founding day: keep holy all anniversaries.
5. Honor thy founders; respect thy several publics.
6. Thou shalt not commit hype.
7. Thou shalt not succumb to the cult of personality.
8. Thou shalt not steal another's glory.
9. Thou shalt not bear false witness against another denomination.
10. Thou shalt not covet another seminary's fund-raising ability.

Self-Review Questions:

1. What purpose does your institution serve?
2. What is the "reality" of your institution?
3. What is the image of your institution? How do you know?
4. Who are your "publics?" How is each of them being reached?
5. Who has primary responsibility for public relations?
6. What resources do you commit to him/her/them?
7. How well do you serve as a two-way conduit for communications between the seminary and its several publics?
8. Have you hugged your public today?

Suggested Further Readings

Daniel J. Boorstin, *The Image: A Guide to Pseudo-events in America.* New York, NY: Harper and Row, 1961.

Leslie W. Kindred, *School Public Relations.* Englewood Cliffs, NJ: Prentice-Hall, Inc., 1957.

Frank Mayer, *"Public Relations for School Personnel,"* Peabody Journal of Education, June 1974.

Arthur B. Moehlman and James A. van Zwoll, *School Public Relations.* New York, NY: Appleton-Century-Crofts, Inc., 1957.

Robert T. Reilly, *Public Relations in Action.* Englewood Cliffs, NJ: Prentice-Hall, Inc.

CHAPTER TWELVE

Robert K. Greenleaf

TRUSTEE TRADITIONS AND EXPECTATIONS

A seminary has the potential to be not merely a school for training clergy and a field for scholarship in support, but a germinating ground for seminal ideas, for the overarching views that give unity of vision in a chaotic world. To lead in such a mission, seminary trustees must have competence, tenacity, fortitude, and spirit. Most boards are too involved in overseeing administration and in money raising to assume a genuine leadership role in moving a seminary toward its greatest potential. It may be hoped that trustees will adopt the aim of making their seminary a model, encourage faculty theologians to develop a theology of institutions, bring into the seminary persons with stature to assist churches in refining their leading skills, and hold as the ultimate goal the maturing of the image conveyed by seminalis, *the place where significant ideas germinate.*

The perspective from which this chapter is written is that of a student of organization, how things get done—not that of a scholar or theologian. What prompts the writing of it is not primarily a concern for seminaries, or even for churches that look to seminaries for support. My primary concern is for the quality of our civilization, which I see as missing by much too wide a margin an achievement that is reasonable and possible with available resources, human and material.

Alienation is widespread in all sectors of the population and far too many of the institutions that make up our complex society seem unable or unwilling to serve. Each of these deficiencies may be a contributing cause to the other, and neither is likely to be healed without coming to terms with the other. Churches of all faiths seem to be failing to give adequate nurture to people, both those who might be protected or recovered from alienation and those who have the opportunity to shape our many institutions. Contributing to these failures of churches is inadequate support from seminaries in two critical areas: (1) The urgent need for a theology of institutions that will undergird churches in their ministry to those who could be builders of more serving institutions of all sorts. (2) Prophetic vision that will give to churches the sinews of leadership that will bring to their work the ablest people, lay and professional, who have the strength and ingenuity that nurturing in these times requires.

The positions taken above grow out of reflecting on the root meaning of the word seminary: *seminalis*—seed. The potential in a seminary is to achieve a role in society as a preeminent germinating ground for seminal ideas, ideas that transcend the scientific and the scholarly, the overarching views that give unity of vision that enables people to find meaning and purpose in their lives in a chaotic world. Such ideas may of course emerge with anybody anywhere, but the seminary that is functioning near its potential would reach out to receive and embrace these ideas, put them in a context so that churches may mediate them, and give sustaining leadership to churches as they do their work of ministering to the needs of people everywhere.

Seminaries do not have even an implied jurisdiction to carry this role. They simply occupy a logical place to assume it and to qualify themselves to carry that role with distinction. Every seminary has the option to take as much or as little of that role as it chooses.

The choice, as I see it, is between, at one extreme, a marginal role in which the seminary is maintained as a viable institution by operating a school for pastors and engaging in the scholarship to support that effort (a useful role) or, at the other extreme, to move constantly toward a role that the root meaning of *seminary* suggests. From the perspective of a student of organization, the first option is appropriately the work of seminary administration and staff, monitored, of course by conscientious trustees, but not significantly influenced by them. However, the latter option is not likely to be chosen and pursued over time unless trustees give effective leadership to help move the seminary firmly toward its highest potential. This is a truly creative role, because the highest potential of any institution, as with a person, is an ever advancing target: The more one moves toward it, the further it recedes in the distance. There is a great line from Walt Whitman: "From any fruition of success, no matter what, shall come forth something to make a greater struggle necessary." If a seminary is to move constantly toward the great potential it clearly has, most trustees, especially the one in the chair, will need to be armored and equipped for sustained struggle. It is not realistic to expect that administrators and staffs should take on this struggle. They have other important work to do.

This is written in the belief that seminaries can bring trustees to their service who have the competence, tenacity, fortitude, *and* spirit that this struggle requires; and that these trustees will reap the full psychic rewards possible in that position only if they accept the challenge or engage in the struggle. This division of roles between administrators, who are mainly charged with maintenance—a relatively safe role, and trustees who have the opportunity for sustained creative leadership—which entails the risk inherent in all leadership, is based on the assumption that trustees are expendable and that administrators and staff are not. The other part is that there is an indispensable element of leadership that only trustees, with their detachment from administrative responsibility, can give.

When able trustees of a seminary accept the challenge to give creative leadership, the place of administrators and staff may be relatively safe, but it may not be comfortable. The price of comfort is an institution in which trustees, administrators, and staff have settled for living contentedly with a wide gap between their current level of performance and a much higher potential available to them. Trustees, no matter how determined and how able, cannot lead a seminary, or any other institution, on the long march toward its ever-receding highest potential if administrators and staffs cannot be brought to accept the inevitable discomfort. What do trustees who have a vision of greatness for their seminary do if they cannot secure the acceptance of this discomfort? My advice: Withdraw quietly and find something better to do. Do not settle for presiding over a maintenance role. There are plenty of conscientious but uninspired trustees who are willing—happier, perhaps—to carry that role.

The remainder of this chapter is addressed to those seminary trustees who have a vision of greatness for their seminary, who are prepared to sustain the struggle that substantial movement toward their seminary's highest potential will require, and who are confident that the administration, faculty and staff will accept the inevitable discomfort. And what is the discomfort? Growth, adaptation, and change!

The Seminary in the Hierarchy of Institutions

The critical role of seminary trustees may best be seen if the place of seminaries in the hierarchy of institutions is examined. In this hierarchy I see seminaries at the top—along with foundations that could have a parallel role with colleges and universities. Seminaries are at the top because they have the opportunity to give sustaining support to churches; and churches, in turn, can give religious nurture and moral guidance to individuals directly and support—as conservers of tradition and advocates of values—the whole gamut of "operating" institutions: governments, schools, businesses, hospitals, social agencies, philanthropies, families, communities. The strength and durability of our democratic institutions rest on the wide acceptance and practice of a common moral code; and I see seminaries as having the potential to hold the prime position of supporting the churches as they work to foster religious concern and to strengthen the moral basis of society.

Sustaining support to churches can mean much more than training their pastors, important as that service is. There is the opportunity for seminaries to stand as a constant source of intellectual rigor and prophetic vision, of spiritual energy, and as the support and inspiration for strong leadership and society-shaping influence in churches. The seminary has the opportunity, because of its place in the hierarchy of institutions, to give this leadership. *If it is to exploit this opportunity, it must generate sufficient leadership power—with its own resources.*

As I see churches today—churches of all faiths—they are struggling to shore up a deteriorating society without much sustaining support from seminaries. While seminaries perform a necessary function in the training of pastors, they do not generally provide the support and prophetic leadership for churches, for which they, seminaries, are correctly positioned and of which they are potentially capable. Further, pastors in training are not prepared to serve in churches in which the sinews for leading are strong, because the seminaries are not generating the prophetic vision that will engender that quality in churches. The gap between the place where seminaries now are, and where churches might be if they were inspired and guided to greatness of leadership, is not likely to be healed by a reach from churches. The initiative rests with seminaries. The first step for a seminary may be to accept that, next to survival, the seminary's first priority in these times may be building leadership strength to lead churches, by example, so that churches in turn may lead.

Trustees who accept such a view of their seminary's place in the hierarchy of institutions, and the opportunity this presents, will realize that as trustees they are in a precarious position, because there is no sheltering institution to provide support to the seminary that the seminary is in a position to provide to churches. Therefore the seminary can be seen as one that must function as a self-regenerating institution; therefore, it requires of its trustees a much more demanding leadership than is needed in institutions placed lower in the hierarchy, who might look to the seminary for guidance.

The Trustee in History

The trustee first emerged—and is still with us in the traditional form—as an individual entrusted to manage the affairs of another. A trustee who is a member of a governing board of an institution is a relatively recent development, because institutions as we know them are quite new. When the U.S. Constitution was written nearly 200 years ago, there was no mention of today's common institutional form, the corporation, because it scarcely existed at that time. Corporations get their legal (constitutional) status because of the willingness of courts to construe them as persons. This relative newness of institutions with which all of us are inextricably involved may explain the paucity of theological reflection about institutions. Such theology as we have, like our legal system, is largely a theology of persons, not institutions.

Churches have little influence on the complex involvements of people in institutions, because theologians have scarcely dealt with this phenomenon of modern life and, consequently, pastors are not prepared to deal with the issue of institutions and their great influence on the lives of people to whom they are ministering. Some of those institutions may be grinding people down faster than the most valiant rescue effort can recover them. There is an urgent need for a theology of institutions. And part of that need is in the seminary itself, a theology to guide the structure of the seminary's own governance.

Whereas, in the historical model of the individual trustee, that person has quite complete control over the affairs entrusted to him—within the constraints of fiduciary responsibility about which there is considerable doctrine—the trustee board of an institution, like a seminary, is in a somewhat anomalous position. On the one hand, the corporation law, in most jurisdictions, is unequivocal: "The corporation shall be managed" by its board of trustees. But, in practice, faculties have acquired a *de facto* power that is probably more potent.

Furthermore, quite a few faculty members have tenure, which may give them a first claim on the seminary's assets. Thus, while trustees may have the legal power to govern, that power is so hedged about it might better be said that trustees are in a titular position to lead; but, for the most part, they have little power to govern. This generalization has some credence in large publicly held businesses. This is why I said earlier that if trustees would like to lead a seminary from a marginal role to one nearer the institution's full potential, and if they cannot persuade the faculty to accept the inevitable discomfort of change, then those trustees might better quietly retire and leave their role to others who share the faculty's preference for comfort. Trustees, in practice, have the opportunity to lead but not the power to govern on matters pertaining to the extent of the seminary's reach for distinction as a servant of society.

Trustee Contributions

Earlier I contended that movement toward the seminary's full potential requires initiatives that entail risk, and that trustees are expendable, but administrators are not. The reasoning is simple: Administrators have a career stake in their jobs, and able administrators may be scarcer than able trustees. Furthermore, there is damage to both institution and person when the administrator undertakes to give leadership and fails. The trustee does not—or should not—have a career stake in the position. And trustees who try to lead and fail can quietly retire with little hurt to themselves, other than a little loss of pride. And the institution may not be damaged at all.

But mostly, the asset in the trustee role is in the perspective inherent in some detachment from administrative responsibility. The trustee is both involved enough to have a good knowledge base for his work and detached enough not to be distracted by minutiae. Further, the trustee does not carry the burden of day-to-day maintenance.

Most trustee boards, on their own, do not fully exploit their unique opportunity to contribute. They allow administrators to have too much influence on the agendas of their meetings and, consequently, they invest too much of their time in overseeing administration and too little in the thinking that trustees can best do. The ever present pressure to raise money is too much of a preoccupation, and the ability and willingness of the trustees to contribute money may be too big a factor in their selection as trustees. It is a speculation, but able trustees who are dedicated to giving the leadership that moves their seminary toward its highest potential as a servant of society may do more of ultimate importance for the seminary than if some members of the board had great wealth and gave liberally of it, but made no effort to lead!

One protection for trustees to avoid over-involvement in administrative concerns—such as raising money—is for the board to have its own consultant, whose primary function is to watch over how they use their time and how meeting agendas are fashioned. This consultant, by closely watching the meetings, can contribute to "process" thinking and can, in effect, help guide the way trustees think and what they think about. This is a sensitive role, but there are people around who could contribute importantly to trustee effectiveness by helping them (1) to concentrate on doing what trustees can best do and (2) to avoid involvement in matters concerning which their contribution would be less important.

The Trustee Emeritus Role

An interesting development concerning trustee work is the unique use of emeritus trustees. Most boards conclude—sometimes after an unpleasant experience—that there should be an upper age limit on service as a trustee. But there is a hopeful trend toward active trusteeship as preparation for a unique service that emeritus trustees can render. Every institution has problems that can be dealt with best by a trustee emeritus. Such a person has the perspective that comes from long service as a trustee, but he or she no longer has the responsibility or time demands of that office.

Some of the problems that can be addressed by emeritus trustees are ones on which mediation of differences would be helpful to the institution. These differences to be mediated can be between faculty, staff, administrators, students, alumni, donors, denominational bodies, and trustees. Besides problems requiring mediation, any issue or question meriting the sustained attention of a person with the qualifications of an emeritus trustee would be a candidate for this service.

This role for emeritus trustees seems to be a newly-found aspect of trustee usefulness to institutions of all sorts, and seminaries might take the initiative by finding such roles for their own retiring trustees and, by so doing, begin the process of making themselves an institutional model for others to emulate.

The Seminary Institutional Model

Early in this chapter, I noted that my primary concern was not for seminaries or even for churches; but for the quality of our civilization. In my first essay that deals with trusteeship, *The Servant As Leader*, I suggested that "no one step will more quickly raise the quality of the total society than a radical reconstruction of trustee bodies of institutions generally, so that they are predominantly manned by servant leaders." Two subsequent essays, *The Institution as Servant* and *Trustees as Servants* reinforce this suggestion. [See chapters I, II, & III of *Servant Leadership*, Paulist Press, 1977.]

Since writing these early essays and contending with the modest ferment they stirred, especially among churches and church-related institutions, I have come to see seminaries at the top of the hierarchy of all institutions. In this position, seminaries have not only the opportunity that no other institutions have to give affirmative leadership to churches, but they occupy a spot in which they could be conspicuous as models of institutional quality—models that could be a beacon for all institutions. I am aware that most seminaries are sensitive to their standing in the fraternity of seminaries. But I wonder whether they see themselves as having the potential to exert a powerful influence on the quality of our whole civilization by the level of their achievements as discrete institutions. And I have the further, and more disturbing, wonder whether the myriad of other institutions—businesses, units of government, universities, philanthropies—and churches will have the incentive to try to raise their contribution to society if seminaries do not make a determined reach as models of institutional quality.

I am enough of a realist to accept that seminaries, most of them now largely faculty governed and with nominal trustees, are unlikely to make this reach. Something has to change, and the most open course to change is that seminary trustees will form themselves into a new leading influence with goals like these:

- To evolve their effort to lead, with the aim of making of their seminary a model to be emulated by trustee bodies in all sorts of institutions.
- To encourage theologians on the faculty to begin the development of a comprehensive theology of institutions by reflecting on the process of change going on with their own trustees.
- To bring into the seminary, not necessarily in a scholarly role, persons with the stature and personal qualities required to assist churches in refining their own leading skills for the work they do.
- To hold as the ultimate goal for the seminary the maturing of the image conveyed by *seminalis*, the place where significant society-shaping ideas can germinate.

Trustees with persuasive power, pursuing goals like these, will, it is hoped, gradually and with the cooperation of administrators and faculty, move the seminary toward a quality of institution that convinces by its presence.

APPENDIX I

SELF-STUDY CRITERIA

FOR GOVERNING BOARDS OF THEOLOGICAL SCHOOLS

CRITERION 1

Mission and Educational Policy

No institution can be all things to all people. Each theological school must decide what its particular mission is—its *real purpose*—if it is to have sound direction. The mission must be defined clearly so students will know the institution's purposes and objectives, faculty members will know how to direct their efforts, and the several constituents on whom the school depends will know what they are supporting.

Adopting an institutional mission statement is the responsibility of the governing board. However, the development of such a statement should be a cooperative effort of the administration, the faculty, the students, the board, and, where appropriate, it should be guided by current church policy. Acting alone, the board lacks the professional experience to define educational goals in detail. Its role is to ensure that the mission is stated clearly and reviewed annually; and because it stands apart from day-to-day operations, administrative preoccupations, and faculty special interests, the governing board is in a unique position to lead, seek consensus, and stimulate action.

	Yes	No	Don't Know or Can't Judge
1. Was the formulation of the current mission statement a result of a cooperative effort of the administration, the faculty, the students, the board and, where appropriate, guided by current church policy?	____	____	____
2. Has your board had a recent opportunity to review and/or amend its institutional mission statement?	____	____	____
3. In your opinion is this statement sufficiently clear and useful to serve as a guide to the board, administration, and faculty?	____	____	____
4. Does the board assume a role in helping to determine whether:			
a. existing educational programs are viable and consistent with the school's mission?	____	____	____
b. proposed programs are consistent with the school's mission and likely to be viable?	____	____	____
c. programs proposed for discontinuance should be dropped?	____	____	____
5. Do you feel that the school lives up to its stated mission?	____	____	____
6. Does the board have a means of determining whether graduates are adequately prepared to fulfill their roles and responsibilities?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:

Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____

Don't Know or Can't Judge ____

Further comments, suggestions, or clarifications related to this criterion:

CRITERION 2

Institutional Planning

Effective planning is increasingly essential. The number and future sources of students, and projections of expenses and income need to be studied. The character of the educational program and student services must be considered with regard to the spiritual development of students. The size and quality of the faculty and its ratio of full-time to part-time and adjunct status are matters to be carefully plotted.

The board should not merely adopt the institutional plan. It should be involved in a continuous planning process, and the adopted plans should be consistently used by the board as a guide to decision making.

	Yes	**No**	**Don't Know or Can't Judge**
1. Within the past three years, has the board been involved in the process of requiring, reviewing, and approving comprehensive institutional plans regarding:			
a. student recruitment?	____	____	____
b. staffing?	____	____	____
c. physical facilities?	____	____	____
d. availability of resources?	____	____	____
e. educational programs?	____	____	____
f. spiritual development?	____	____	____
2. Does the board have a schedule for review (and possible revision) of planning objectives on a regular basis?	____	____	____
3. Do board (or committee) meeting agendas at least occasionally include key issues which bear on the planning process?	____	____	____
4. Do you feel that the majority of board members are sufficiently knowledgeable about the school, theological education, and church needs to respond intelligently to planning issues and alternatives?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 3

Physical Plant

It is the board's responsibility to create and maintain a physical environment that is conducive to learning and to spiritual development. Decisions that involve the campus master plan and the capital outlay budget requests are major concerns. Prudent management suggests that maximum use of remodeling of the present physical plant be made before any new construction is considered. Attention should be given to maintenance requirements and escalating energy and utility costs. Efficient use of the board's time and effort requires that it be concerned only with those matters that cannot be delegated properly to the staff.

	Yes	**No**	**Don't Know or Can't Judge**
1. In making decisions on buildings, does the board consider the ways in which the physical environment promotes academic and spiritual growth?	____	____	____
2. Has the board approved a master plan for the physical campus which includes both present and anticipated needs?	____	____	____
3. Within the past two years, has the board received and reviewed a report on physical plant utilization—classroom, dormitory, office, and other building space?	____	____	____
4. Prior to its consideration of requests for remodeling or new construction, has the board satisfied itself that present space is being used effectively and instructional areas are scheduled for optimum use?	____	____	____
5. Has the board recently satisfied itself that maintenance programs and energy conservation measures are adequate and that they are not being unreasonably deferred?	____	____	____
6. Do you feel that the board makes decisions on details related to buildings and grounds that really should be delegated to the administrative staff?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 4

Financial Management

In the school's financial affairs the board has a responsibility to ensure that the institution has prudent fiscal management. This responsibility calls especially upon the expertise of those board members who are experienced in devising financial policies, managing investments, or who have other financial skills. The board must see to it that sound financial policies are followed, yet refrain from becoming involved in the execution of policies and administration of financial programs.

	Yes	No	Don't Know or Can't Judge
1. Do you feel that the board fully accepts its responsibility for prudent fiscal management?	____	____	____
2. Are the board's review and approval of the budget carried out with sufficient care so that a desirable budget results?	____	____	____
3. Does the board have within its membership persons with special expertise who give their advice and leadership in the following areas:			
a. long-range fiscal planning?	____	____	____
b. fund raising?	____	____	____
c. investment practices?	____	____	____
d. fiscal management?	____	____	____
e. budget review?	____	____	____
f. analyses of reports and recommendations of the auditor?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 5

Financial Support

A board has the responsibility for ensuring that financial resources are sufficient to meet operating costs. Part of this responsibility is discharged through careful oversight of the financial affairs of the institution. But board members also have a responsibility to contribute to the institution as their means allow, to encourage others to contribute, and to otherwise participate actively in the development program.

	Yes	No	Don't Know or Can't Judge
1. Do you feel that the development program is well organized into a continuing and coordinated effort of the board, the chief executive, and development officer?	____	____	____
2. Do you feel there is an adequate financial commitment on the part of individual board members to:			
a. give personally?	____	____	____
b. influence other persons or organizations to give?	____	____	____
3. Is the board aware of the church's financial situation and recent trends in its support?	____	____	____
4. Does the board keep sponsoring church leaders adequately informed of financial needs and institutional accomplishments?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 6

Board Membership

A primary requisite for effective governance is men and women who have a commitment to the mission of the institution, and who have the skills, knowledge, and background necessary for effective decision making. This is true whether the board names its own members or they are appointed by other church officials or organizations. The new demands currently faced by theological schools require that their boards have available to them a wide range of experiences and expertise. The board's membership should enable it to meet its varied roles and responsibilities. Each member must be willing to serve the interests of the institution as a whole.

	Yes	**No**	**Don't Know or Can't Judge**
1. Do you feel the members of the board are sufficiently committed to the mission of your institution?	_____	_____	_____
2. Does the board include persons with backgrounds in one or more of the following areas:			
a. higher education?	_____	_____	_____
b. theological education?	_____	_____	_____
c. pastoral ministries?	_____	_____	_____
d. management?	_____	_____	_____
e. personnel administration?	_____	_____	_____
f. fund raising?	_____	_____	_____
g. investment?	_____	_____	_____
h. real estate or construction?	_____	_____	_____
i. law?	_____	_____	_____
j. medicine?	_____	_____	_____
k. other: ______________________________ ______________________________	_____	_____	_____
3. Do you feel that the board now contains members from a sufficient range of backgrounds and constituencies who possess sufficient skills to make it an effective board?	_____	_____	_____
4. Do you feel that the board's composition is adequate with respect to:			
a. age?	_____	_____	_____
b. sex?	_____	_____	_____
c. minority representation?	_____	_____	_____

	Yes	No	Don't Know or Can't Judge
d. geography?	____	____	____
e. other: ______________________________	____	____	____
______________________________			
5. Does the board (or a committee) assess its membership needs and maintain a roster of prospective members for recruitment purposes?	____	____	____
6. Do you feel that the board's policies and practices should be modified with respect to:			
a. clarifying trustee responsibilities?	____	____	____
b. size of the board?	____	____	____
c. length of trustee terms?	____	____	____
d. whether there should be a limit to the number of successive terms?	____	____	____
e. age limit or honorary retirement?	____	____	____
f. ratio of non-ordained members to ordained members?	____	____	____
7. Does the board have an established procedure for orienting new members to the school *and* to their duties and responsibilities?	____	____	____
8. Does the board (or a committee) review the performance of individual members, including officers?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 7

Board Organization

The effectiveness of a board depends greatly on the structure of its organization and the conduct of its meetings. A productive board is usually one that takes the time to periodically sort out its duties thoughtfully, review its organizational structure and rules procedure critically, and update its bylaws, policy or operations documents. It may be necessary to urge church authorities to revise their policies to provide more flexibility for board reorganization initiatives.

Committee structure depends upon the board's size, the frequency of meetings, and the workload that can be placed on individual members. Periodic critical review should also determine, among other things, if a few persons in fact are making most of the board's decisions, if responsible minority opinions have the opportunity for full board consideration, and if communication between the campus community and church leadership is open.

	Yes	No	Don't Know or Can't Judge
1. Within the past two or three years, has the board substantively reviewed its committee structure and bylaws?	____	____	____
2. Do board meeting agendas:			
a. put before you issues of *policy* the board should consider?	____	____	____
b. include appropriate supporting information?	____	____	____
c. reach you sufficiently in advance of the meeting?	____	____	____
3. Do you believe that the number and duration of board meetings are sufficient?	____	____	____
4. Are board meetings conducted effectively and their agendas timely and stimulating?	____	____	____
5. Do you feel that the present committee structure:			
a. handles the board's work efficiently?	____	____	____
b. gives the full board the opportunity to be aware of issues being considered by the committees, including alternative actions?	____	____	____
c. allows constituencies to be heard before recommendations are formed?	____	____	____
6. Do board policies regarding board and committee membership afford sufficient opportunity for rotating leadership to retain trustee interest and commitment?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 8

Board/Chief Executive Relations

Trustees and the chief executive share at least one major characteristic: they have a total institutional perspective. The quality of the "working relationship" between the board and the chief executive officer is of critical importance to the effectiveness of each. While the board must take responsibility for basic policies and their consequences, it must also give the chief executive the authority and flexibility to act decisively.

Selection and assessment of the chief executive officer should normally be a major responsibility of the trustees if they are to function effectively and collectively as a governing (rather than advisory) board. This selection should take into account not only his or her academic and administrative qualifications, but also his or her religious commitment.

	Yes	No	Don't Know or Can't Judge
1. Is there a written statement of role and responsibility for the chief executive which clearly outlines his or her functions and defines the board's expectations?	____	____	____
2. Has this statement been reviewed within the last three years?	____	____	____
3. Do you feel that the board has delegated to the chief executive sufficient authority to administer the institution successfully?	____	____	____
4. Is there a climate of mutual trust and support between the board and chief executive?	____	____	____
5. Has the board or some of its members counseled with the chief executive to provide guidelines to strengthen certain areas of his or her performance?	____	____	____
6. Does the board or a board committee formally assess the chief executive's performance in some systematic way from time to time?	____	____	____
7. Is there a clear understanding between the chief executive and the board concerning their respective roles?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:

Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 9

Board/Faculty Relations

Effective educational policies depend in large part on the cooperative effort among faculty, students, administrators and the board. Primary responsibility for setting the academic mission lies with the board of trustees, while responsibility for the curriculum, methods of instruction, faculty status, degree requirements, and those aspects of student life related to the educational process lie primarily with the faculty.

The line between governing policy and operating policy is not easily drawn, but it must be established with reasonable clarity. The institution needs to be given academic direction, yet the faculty must be free to perform its work. This is especially important in a theological school where faculty differences of opinion may parallel doctrinal disagreements within a denomination.

	Yes	No	Don't Know or Can't Judge
1. Does the board have a satisfactory means of two-way communication with the faculty which does not circumvent the president's office?	___	___	___
2. Does the board, through the chief executive, seek the advice and recommendations of faculty leaders in formulating basic educational policies?	___	___	___
3. Do you feel that the board exercises authority over *(please choose one)*:			
a. more aspects of educational affairs than it needs to?	___		
b. fewer aspects of educational affairs than it should?	___		
c. neither. Its participation in educational affairs is about right.	___		
4. If the board has established requirements to assure faculty compatibility with broadly held denominational beliefs, are you satisfied that these are appropriate and reasonable?	___	___	___
5. Does the board delegate to the chief executive, academic officer and faculty full responsibility for implementing educational policies?	___	___	___
6. Has the board adopted adequate policies concerning.			
a. grievance or due process procedures and the limits of its roles as a "court of last resort?"	___	___	___
b. process for selection, promotion, retention, tenure?	___	___	___
c. standards and procedures for judging and improving faculty performance?	___	___	___

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 10

Board/Student Relations

The board has a responsibility to provide a healthy campus environment that is conducive to personal, spiritual and academic development with sensitivity to the particular needs of theological students. The board should have appropriate means for effective communication with students without circumventing the office of the chief executive.

	Yes	No	Don't Know or Can't Judge
1. Does the board have appropriate means for effective communication with students which do not circumvent the president's office?	____	____	____
2. Has the board approved policies that provide adequately for the students' physical, mental, and spiritual health, and non-curricular (cultural, educational, recreational) activities?	____	____	____
3. Does the board review periodically the institution's programs for student aid?	____	____	____
4. Does the board support administration efforts to assist students in seeking ministerial and other types of employment after graduation?	____	____	____
5. Has the board ensured that there are adequate due process policies and grievance procedures for student appeal of perceived injustices (academic or other)?	____	____	____
6. Are students and student organizations free to examine and discuss questions or issues of interest to them and to express opinions publicly, so long as it is clear that they speak only for themselves?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 11 (Optional)
(Please respond if this criterion is appropriate to your institution.)

Relations With the Church/Denomination

Trustees must be aware of the legal arrangements and informal understandings which exist between the school and its primary denominational or church sponsor. Although the trustees' first line of responsibility should be to the integrity and welfare of the school on whose board they serve, they should also be sensitive to the policies of the school's sponsoring church or denomination. Achieving this balance in perspective may be more challenging if they are elected or appointed directly by the school's sponsor.

	Yes	**No**	**Don't Know or Can't Judge**
1. Do you feel that the interests of all segments of your denomination are heard and addressed by your board?	____	____	____
2. Have there been major conflicts between the best interests of the school as a whole, and those of the sponsoring church organization?	____	____	____
3. Do you attend conferences and conventions of various church or denominational groups:			
a. to help explain the purpose, goals and performance of your school?	____	____	____
b. to hear the concerns and desires of these interested groups?	____	____	____
4. Does your board relate well to the organizational pattern of your denomination or sponsoring church organization?	____	____	____
5. Does the "grass roots" church membership understand and support your school's mission and programs?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

CRITERION 12 (Optional)

(Please respond if this criterion is appropriate to your governance structure.)

Multitiered Boards

Some theological schools have boards whose powers are shared with, or otherwise reserved by, a smaller corporate board. It is important in such situations to ensure that their respective purposes, authority and responsibilities are defined clearly and that lines of communication are open. In a similar vein, it is important that, if the school has a governing board, its authority as specified in the bylaws, articles of incorporation or other legal documents is commensurate with its responsibilities for the health, welfare and effective management of the institution.

	Yes	**No**	**Don't Know or Can't Judge**
1. Is there a clear understanding of roles and authority between the boards responsible for the governance of your school?	____	____	____
2. Do one or more members of the "corporate board" also serve as members of the governing board?	____	____	____
3. Are the members of your board satisfied that it has the authority necessary for it to fully meet its responsibilities?	____	____	____
4. Has any higher authority directly contravened any action or recommendation of your board in recent years?	____	____	____
5. Where the board chairperson is required to be a church or denominational leader, is there a climate of mutual trust and support between the board's members and the chairperson?	____	____	____

Summary: In relation to this criterion I feel that the board's overall performance has been:
Very Good ____ Good ____ Adequate or Barely Adequate ____ Poor ____
Don't Know or Can't Judge ____
Further comments, suggestions, or clarifications related to this criterion:

General Assessment

1. What issues have most occupied the board's time and attention during the past year?

2. What were the one or two successes during the past year stemming from board activity, for which the trustees feel special satisfaction?

3. What particular shortcomings do you see in the board's organization or performance that need attention?

4. Are there any ambiguities in the respective roles of the school's trustees as distinct from other church authority?

5. How would you characterize the current relationship between church authority or organization and the school?

6. Other comments or suggestions?

Trustee Audit

The responsibilities of individual trustees are different from those of boards as corporate entities. The following checklist is designed to help board members assess the extent to which they have absorbed the breadth and depth of their roles and institutions.

Candid responses can be helpful to the design of orientation programs for new board members, or workshops and retreats.

Background

	Yes	No	Somewhat or Sometimes
1. Do you feel you have adequate opportunity to understand your obligations, responsibilities and opportunities for growth as a trustee?	____	____	____
2. Have you a clear grasp of your board's responsibilities?	____	____	____
3. Are you familiar with your institution's stated mission, institutional plan and current policies?	____	____	____
4. Do you stay abreast of church and theological education trends, through reading, attending conferences or other ways?	____	____	____
5. Have you taken an opportunity recently to meet with trustees and educators from other theological institutions?	____	____	
6. Do you have adequate opportunities to know your fellow trustees?	____	____	____
7. Do you find any conflict between your responsibility for the welfare and advancement of your institution and your responsibility to your church?	____	____	____
8. What do you feel are your strongest areas of expertise based on your background and experience (x):	____	____	____

____ Budget/Finance
____ Investments
____ Fund Raising
____ Public Relations
____ Management
____ Planning
____ Legal Affairs
____ Plant Management
____ Real Estate

____ Education
____ Theological Education
____ Pastoral Ministry
____ Local Church Affairs
____ Denominational Organization
____ Faculty Affairs
____ Student Affairs
____ Marketing
____ Other: ____________

	Yes	No	Somewhat or Sometimes
9. Now go back and indicate any primary areas of interest outside of your areas of expertise (√).			
10. Are you satisfied that both your expertise and your interests are considered in your board and committee assignments?	____	____	____
Knowledge of the Institution			
11. Are you familiar with your institution's recent history and what makes it distinctive from other seminaries of your denomination (or other nondenominational schools)?	____	____	____
12. Cite three of its special strengths:			
a) ______________________________			
b) ______________________________			
c) ______________________________			
13. And its three greatest needs:			
a) ______________________________			
b) ______________________________			
c) ______________________________			
14. Do you feel well informed about the characteristics and quality of your institution's educational programs?	____	____	____
15. Have you attended a campus event within the past year?	____	____	
16. Do you know the names of your institution's:			
a. key administrators?	____	____	
b. faculty leaders?	____	____	
c. student leaders?	____	____	
17. Have you met some of them apart from board meetings?	____	____	
18. Are you acquainted with the physical plant and maintenance needs of your institution?	____	____	____
Board and Committee Meetings			
19. Are you satisfied with your attendance at board and committee meetings?	____	____	____
20. Do you read the minutes of meetings to determine whether they faithfully represent the proceedings and decisions as you recall them?	____	____	____

	Yes	No	Somewhat or Sometimes
21. Do you prepare for board meetings by reading agendas and supporting material?	____	____	____
22. Do you suggest agenda items?	____	____	____
23. During meetings, do you help board and committee members to steer clear of non-policy matters better left to the administration?	____	____	____

Fund Raising and Public Relations

	Yes	No	Somewhat or Sometimes
24. Do you contribute a gift to your institution according to your means for:			
a. annual operations?	____	____	____
b. capital campaigns?	____	____	____
25. Have you made provision for your institution in your estate plan?	____	____	
26. Within the past year or two have you helped secure a gift from an individual, corporation or other source?	____	____	
27. Have you recently taken advantage of an opportunity to say a good word about your institution to church leaders and church members?	____	____	
28. Do you take advantage of opportunities to inform other groups or persons about your institution or theological education generally?	____	____	____

Financial Responsibilities

	Yes	No	Somewhat or Sometimes
29. Do you understand the concept of "fund-accounting"?	____	____	____
30. Do you find your institution's financial statement intelligible?	____	____	____

Board Functions and Procedures

	Yes	No	Somewhat or Sometimes
31. Are you mindful of your institution's stated mission, plan and goals, and current policies when voting on proposals presented to the board?	____	____	____
32. Do you feel you are sensitive to the concerns of students and faculty while maintaining impartiality and a total institutional perspective?	____	____	____
33. Do you help meet the needs of your chief executive for occasional counsel and support in his or her often difficult relationships with groups on- and off-campus?	____	____	____

	Yes	No	Somewhat or Sometimes
34. Do you appreciate the importance of keeping your chief executive informed in the event you establish personal communication lines with individuals on campus, and of the need to avoid prejudiced judgments on the basis of such relationships?	____	____	____

Board Membership and Leadership

	Yes	No	Somewhat or Sometimes
35. Have you ever suggested to the board's nominating committee or to the appointing authority someone who would make an outstanding new board member?	____	____	
36. Are you satisfied that there are no real or apparent conflicts of interest in your service as a trustee?	____	____	____
37. Do you avoid asking special favors of the administration, including requests for information, without the knowledge of at least the board or a committee chairman?	____	____	____
38. If you have not already done so, would you be willing to serve as a committee chariman or board officer? Why (or why not)?________________________________ ____ ____	____	____	
39. Have you found your trusteeship to be stimulating and rewarding thus far? Why (or why not)?________________________________ ____ ____	____	____	____

40. How would you rate yourself as a trustee of this institution at this time?

Above Average ____ Average ____ Below Average ____

APPENDIX II

USER'S GUIDE

TO THE SELF-STUDY CRITERIA FOR GOVERNING BOARDS

Introduction

This guide is intended for use by those responsible for administering AGB's *Self-Study Criteria for Governing Boards*. Its purpose is threefold: to stimulate responses by the board members, to show how to summarize the responses, and to help interpret the survey. Although designed primarily to be used in AGB's Board-Mentor Program, it should be helpful to boards conducting their own self-studies.

No attempt is made here to argue the importance of periodic reviews of the board's responsibilities, membership, organization and performance. Those who are interested in this subject are urged to read the chapters by James Gilbert Paltridge and John W. Nason in the *Handbook of College and University Trusteeship*, edited by Richard T. Ingram (San Francisco: Jossey-Bass, 1980).

Rationale for the Criteria

The aim of this approach to board self-study is to ascertain the trustees' combined perceptions of the board *as an organization*. The process is organized around a set of criteria which relate to the board's purposes and functions. The relevance of each criterion varies from board to board, there is no "average" or "typical" profile of responses against which the members of a board can compare their collective performance. A workshop which focuses on the results of the survey can permit the trustees and chief executive to identify the board's strengths and weaknesses.

Another section, "Trustee Audit," will help *individual* board members assess their performance and contributions.

How to Proceed?

The following suggestions assume that the chief executive and the board have committed themselves to a self-study process which employs AGB's *Self-Study Criteria* and "Trustee Audit," whether done as part of the Association's Board-Mentor Program, or independently. One person should be responsible for overseeing the survey phase. This could be the chief executive, an aide, the board chairperson, a trustee, or a consultant. This person must, of course, enjoy the full confidence of the board members and the chief executive. Normally, this individual will receive the completed questionnaires and develop the summary record.

At the same time, it is desirable that an appropriate standing or ad hoc committee be designated to oversee details concerning the board workshop (purpose, timing, location and other arrangements). This committee would also help to insure credibility for the self-study program and build trustee commitment. It should study the questions and add, delete, or modify as may be appropriate. (Most boards participating in AGB's Board-Mentor Program have found the "Criteria" and "Trustee Audit" satisfactory as they stand.)

It is recommended that at least six to eight weeks of time be set aside to prepare a board self-assessment. This allows opportunity for one follow-up mailing if necessary. If a board wishes to take advantage of the AGB Board-Mentor Program, a summary of the questionnaire responses must be made available to the Board-Mentor(s) at least two weeks in advance of the workshop.

The following procedures are offered as suggestions for completing and summarizing the *Self-Study Criteria:*

- *Prepare a cover letter* to accompany the survey forms (see illustration) signed by the board chairperson, the chief executive, or chairperson of the committee in charge. The letter, personalized to each trustee, should specify a deadline for return (about two weeks from the date of mailing) and assure confidentiality and anonymity.
- *Enclosing a large, stamped, self-addressed return envelope* will improve the response rate. The chief executive should complete the form, and his or her anonymous responses be combined with the trustees' responses.
- *Consider one follow-up mailing,* particularly if the response rate is less than 60 percent. Because of the promise of anonymity, questionnaires will have to be sent to everyone with an appropriate cover note. Another option is to phone all trustees to report the response rate and to urge procrastinators to return their forms (offer to send new forms to those who may have misplaced them). For boards in excess of 25 members, a 60 percent response rate is normally a reasonable expectation.
- *Prepare a summary of all responses.* This is a relatively easy procedure which simply requires a single blank form to record responses for the "yes," "no," and "don't know/can't judge" categories. An additional column should be added along the right-hand margin labeled "no response" so that the total responses for each question reflect the total number of participants who completed the survey. All numbers should be typed.

  All additional comments at the end of each criterion should be typed verbatim, and keyed (where possible) to the individual queries in the criterion to which they refer.

  After totals have been checked, the summary should be labeled "confidential" on the cover page and then photocopied in multiple copies.

  The "General Assessment" and "Trustee Audit" sections should be summarized in a similar fashion.
- *Send a copy of the summarized responses to each board member* at least 10 days in advance of the scheduled workshop, with a cover letter that presents final details about the workshop, and the schedule or agenda as suggested by the Board-Mentor (if one is to be used). Urge all trustees to review the self-study results and any other background reading in advance, and to bring all materials to the workshop.

Interpreting the Survey Results

There are many possibilities for interpreting the self-study summary, all of which depend on the personal styles of those who will lead the board in the survey's discussions, the sense of priorities as communicated by the chief executive and the board chairperson, and the amount of time for the workshop.

Since each of the three sections to the self-study survey has its own purpose and format, contradictory trustee responses should not be surprising. This is part of the charm and the challenge of the process, one which encourages candid exchange on new priorities for subsequent attention by the board and the administration. The following suggestions, based on considerable experience with the forms in connection with the Association's Board-Mentor Program, may be helpful:

1. *Be realistic* about the fact that there is probably more information in the summary of responses than can possibly be addressed at one workshop or discussion session. Adequate time should be set aside to do justice to the most important trustee perceptions/responses. Experience suggests that about three hours is optimal at the front end of a trustee workshop or retreat for discussion.
2. *Be selective* in calling attention to certain criteria which seem to have the greatest import to the board's (and institution's) development. Generally, it is likely that the "Criteria" will justify the most time for review, followed by responses to the "General Assessment," followed by the "Trustee Audit." The Audit section is best referred to only when certain items reinforce responses in the Criteria section of the self-study survey.

   The process of responding to the survey is itself a learning experience, whose key lies in the ability of the discussion leader to help board members to focus on significant trustee perceptions. The survey's questions do not have equal "weighting"; thus a high degree of skill and judgment is necessary to discriminate among the responses. The board, together with the chief executive, may choose to cover neglected areas in subsequent board and committee discussions.
3. *Help board members* to be informal and candid with one another, to jog their memories, to reduce apparent ambiguities, to clarify or reconcile inconsistencies in their responses, to look ahead and set their priorities for follow-up. Pay particular attention to:
   a. responses to questions which are or seem to be inconsistent;
   b. provocative comments, even if they reflect a minority opinion;
   c. large numbers of responses in the "don't know" category, or items which reflect an unusually high rate of "no response."

A well-structured workshop provides adequate opportunity for participants to set priorities after discussing their responses to the self-study. An hour to an hour and one-half, preferably toward the workshop's close, seems to be optimal for discussion of priorities. One approach is to divide the board members into small groups, each with a trustee discussion leader who just prior to the close of the workshop, can report briefly to the assembled group. A record of these reports will provide an action agenda for subsequent attention.

A Note to Chief Executives

In addition to completing the full survey, and aggregating their responses with those of the board members, chief executives may also find it valuable (and often revealing) to compare their responses to the board's.

Similarly, the CEO might try responding to the "Criteria" section as he or she anticipates the majority of board members are likely to respond.

Sample Letter to Trustees

(These instructions might be incorporated into a personalized letter to each board member from the board chairperson or chief executive officer.)

At the board's [date] meeting we committed ourselves to conduct a serious study of the board's current organization and performance. A survey form is enclosed which has three sections.

The purpose of the "Criteria" section is to solicit your perceptions of how well the board meets its responsibilities in relation to several performance standards. These criteria have been developed as part of a project sponsored by the Association of Governing Boards. They relate to the principal functions, obligations and organizational characteristics which tend to distinguish an effective governing board. The "General Assessment" section provides an opportunity for you to reflect on the board's work in a different way, and the "Trustee Audit" section focuses on how you view your own role as a board member.

The assembly of thoughtful and candid responses from each of us should produce a composite picture of how we perceive our effectiveness. This should provide a basis for substantial discussion leading to consensus about the board's strengths, needs and future priorities.

Opportunity has been provided for further comments on each criterion. You may wish to clarify or amplify certain of your responses. I urge you particularly to suggest changes or improvements in board policies or practices. If you need more space for your comments, please use the reverse side or attach a separate page.

Individual responses will be anonymous and the summarized results will be confidential to the members of the board and to the president. Please respond thoughtfully and promptly.

A summary of the responses will be sent to you in advance of our scheduled workshop at [place] on [date]. Please use the enclosed envelope to return your survey form on or before [date].

Sincerely,

[Chairperson]

APPENDIX III

GUIDELINES

FOR BYLAW DEVELOPMENT FOR THEOLOGICAL SCHOOL BOARDS OF TRUSTEES

PURPOSE

This document has a threefold purpose: 1) to clarify what a well conceived set of bylaws should accomplish, with particular emphasis on the need for a clear statement of board responsibilities; 2) to offer a range of suggestions for developing or revising bylaws within the context of a theological school which has its own governing board; and 3) to highlight major issues or alternatives to be resolved by the institution.

BACKGROUND

These guidelines are intended for use by chief executives, boards of trustees and church leaders as an important part of their joint role in strengthening trustee leadership. Recognizing that there are various governance structures, no attempt is made to develop a single model of board bylaws; rather, issues are identified and illustrative options are suggested. These guidelines reflect some contemporary principles of effective trusteeship and board organization, as well as other major issues which should be considered. Although they are intended for use by institutions which are served by their own governing boards, advisory or non-governing boards may also find them useful.

Many schools of theology were founded to advance both the church and a particular denomination or faith. Their Charters or Articles of Incorporation were approved or accepted by the state or province, thereby creating a dual authorization which is unique to church-related higher education.

The Charter may include relevant historical notes about the institution's origins and the condition of its founding. It ma[illegible]so serve as an important legal document when there is a major change in institutional mission or purpose, or in property ownership and control of assets. Legal counsel which is familiar with state or provincial law should be consulted to achieve such objectives when revision of the Charter or Articles of Incorporation becomes necessary.

Bylaws on the other hand provide an opportunity to strengthen the board's organization and performance, correct structural weaknesses, initiate a meaningful process for trustee involvement and establish a sense of purpose in areas where the trustees are otherwise unclear about their role. At minimum, a good set of bylaws should:

- provide an operating framework to enable trustees to fulfill their responsibilities;
- set forth the major functions to be performed by trustees collectively and by committees in particular;
- provide a structure for institutional continuity and reasonable process for trustee rotation;
- spell out assigned duties and reasonable rotation of officers;
- establish a basis for presidential authority and accountability;
- provide both parameters and freedom for trustees to act and lead;
- ensure that the institution conforms with state, provincial and federal law, as well as church law;
- be an interpretive document for new and prospective trustees.

Some of these functions may conflict with sponsoring religious bodies, thereby calling for additional clarification and understanding by all concerned.

Bylaws should state clearly the powers and responsibilities of trustees. Any specific powers reserved for church officials or the sponsoring church body should also be clarified. Certain other matters, such as ecclesiastical authority, required statements of faith and the various methods for electing trustees (e.g., are they self-perpetuating, elected by judicatories or by other constituencies?) also affect the limitations on, or opportunities for, trustee leadership. Because schools of theology reflect the wide diversity of their sponsoring religious bodies, each with their own distinctive characteristics, a variety of approaches may be required to address these and other related issues.

While the best bylaws are simple and flexible, they should also be explicit with regard to the responsibilities of the board and the chief executive. The Association of Governing Boards of Universities and Colleges (AGB) has defined the twelve major responsibilities for governing boards of educational institutions of all types:

- Appointing the president
- Supporting the president
- Monitoring the president's performance
- Clarifying the institution's mission
- Approving long-range plans
- Overseeing the educational program
- Ensuring financial solvency
- Preserving institutional independence
- Enhancing the public image
- Interpreting the community to the institution (and vice versa)
- Serving as a court of appeal
- Assessing board performance.

Any need for additional clarification of responsibilities can be covered in a board's policy manual or a handbook of board documents. Such policy matters as detailed statements on faculty and student governance, faith statements and ecclesiastical authority statements, while approved or acknowledged through the bylaws, are preferably not included in them. Instead, they should be compiled into a separate policy manual or handbook which can serve as a useful adjunct to the bylaws. Such a document is more easily revised to reflect the current policies and procedures, and may include:

- Charter or Articles of Incorporation
- Articles or Statements of Faith
- Relationship between denomination and institution
- Statement of Institutional Purpose
- Faculty Handbook or Constitution (as approved by the board of trustees)
- Student Handbook or constitution (as approved by the board)
- Bylaws of affiliated organizations
- Current list of trustees, board officers and expiration of terms.

Where a separate "board of incorporators" or similar multitiered board structure exists, it is important to specify its purposes and responsibilities *in the bylaws themselves*. This is necessary because any "reserved powers" for such a body directly affects the limits of responsibility for the board of trustees and helps to reduce undesirable and unnecessary ambiguity in trustee roles. Where certain responsibilities are shared in some way, e.g., with respect to selection of the chief executive, they should be clarified.

Institutional bylaws are one of the most important documents to a board of trustees in spite of their general reputation for poor readability or lack of utility. Poorly conceived and written bylaws are potentially harmful; sound but poorly implemented bylaws are not much better. Because the process by which bylaws are developed or revised can be as important as the end result, it is suggested that a three-to-five person committee of trustees be appointed to review the current bylaws and submit any recommended changes to the full board. Legal counsel should be asked to review the adequacy of the proposed bylaws prior to their final adoption.

Bylaw Organization and Content

Because of the many differences among institutions of theological education, a single model of board bylaws is not recommended. It is hoped, however, that what follows will be useful to trustees and administrators of theological schools as they review their own bylaws with church leaders.

This section addresses the principal topics usually covered in the bylaws of a not-for-profit institution of higher education, briefly addresses the issues which a theological school should consider in connection with each topic, and provides specimens of the actual wording which can be adapted to institutional needs and characteristics.

ARTICLE I

Name, Purpose and Location

This article is a simple, clear statement of institutional not-for-profit status, name, address and place of operation.

Sample wording:

The name of this school is (name), an institution serving (name of sponsoring church body) located in (town, county, state, or province) incorporated under the laws of the State or Province of (name of state or province) as a nonprofit, tax exempt institution operating exclusively for religious educational purposes.

ARTICLE II

Affiliation and Ecclesiastical Authority

Most schools were founded by an organized religious body or movement. Such bodies usually have basic documents of faith and authority, including one which specifies the relationship between the church and the institution.

Because these documents may be lengthy, and may require amendment by an outside body, it is advisable to avoid their inclusion in the bylaws. However, abbreviated statements of reference might be included, spelling out the "sense" of the documents and indicating where references are available.

If there are powers reserved to any additional authority, within or outside of the institution, they should be stated clearly in this article.

Because of the many varieties in statements of affiliation, including multi-tiered board structures, sample wording is not provided here.

ARTICLE III

Powers and Responsibilities of Trustees

The board is ordinarily and legally the Corporation, and its responsibility is comprehensive and complete. The responsibilities of the boards of some schools of theology are limited, with final authority held by an outside body or official. A clear delineation of duties and powers is essential in such cases.

Every board has a right to expect clarification of its role. The following responsibilities were developed by the Association of Governing Boards of Universities and Colleges and reflect those common to governing boards of independent institutions of higher education. These are believed to be generally applicable to schools of theology although they can be modified or expanded:

1. Determine and review periodically the purposes and the mission of the institution.
2. Select the chief executive officer of the institution.
3. Ensure that there is a sound institutional planning process.
4. Recommend, review and approve changes in the educational programs of the institution, consistent with its mission.
5. Establish policies and procedures regarding salary schedules, appointment, promotion, tenure and dismissal of faculty members.
6. Approve and authorize all earned and honorary degrees.
7. Oversee and approve the budget of the institution, and establish policy guidelines for the endowment and for all investments and major fund raising efforts.
8. Authorize the purchase, management and sale of all land, buildings, or major equipment for use by the institution.
9. Authorize the construction of new buildings and major renovations of existing buildings.
10. Authorize the incurring of debts by the institution and securing thereof by mortgage and pledge of real and personal property tangible and intangible.
11. Authorize any changes in tuition and fees within the institution.
12. Authorize officers or agents of the institution to accept gifts or bequests on behalf of the institution.
13. Ensure that adequate due process policies and procedures exist.

Each board should review this article in conformity with its understanding of its legal powers and responsibilities. The important principle here is to ensure that the board has clear definition of its authority, commensurate with its responsibility and its obligation to be accountable for its actions.

ARTICLE IV

Membership of the Board of Trustees

Boards of trustees vary greatly in size. A very large board may offer the individual member scant opportunity to participate in policy deliberations, particularly if it does not have an active committee structure, while a very small board may be overburdened with work or otherwise be unable to cover the standing committees needed to carry out its functions. A board in the range of from 20 to 30 members usually will satisfy most needs. Specified lower and upper limits on board size may be better than a specific number to provide for reasonable flexibility. Furthermore, at least one or two vacancies should remain open to accommodate exceptional prospective trustees for appointment or election between annual meetings.

Qualifications for membership may specify whether all or a portion of the trustees must be members of a sponsoring body; whether all or a portion must be clergy; whether the membership must represent a specified distribution among men and women, ethnic groups, a mix of background and occupation, etc.; and whether students or institutional personnel, including faculty or administrators, may be members. (Most students of trusteeship recommend avoiding students, faculty or administrators as trustees of their own institutions on the grounds that their dual roles present conflict of interest situations.)

Methods of trustee selection may specify a self-perpetuating board, a self-perpetuating board which must present all prospective members to an outside group for final approval prior to election, or a board whose members are nominated or elected, in whole or in part, by other groups. Spreading the responsibility for nominating or electing trustees may serve the purpose of creating a "representative" body, but it may also have the adverse effect of confusing the issue of whether trustees have primary responsibility to the institution or the body "represented." As stated earlier, the governing board of the institution ordinarily *is* the institution in both a legal and an ethical sense.

While some boards place no limitation on the number of terms a trustee may serve (typically three or four years), it is increasingly the practice to specify a limit of three consecutive terms of service, normally providing that, after being off the board for a year, the individual again becomes eligible for membership. This practice facilitates reasonable turnover to bring new talent to the board and terminates ineffective, or nonproductive, trustees. Some boards also specify a mandatory age of retirement, or prohibit election to the board after an individual reaches a given age.

At many institutions, the chief executive officer is *ex officio* a member of the board with vote; at others, he or she may be *ex officio* without vote (consistent with a policy of excluding institutional personnel from voting board membership, and the principle of distinguishing between policy and administration—or management and administration).

Certain church officers may also hold *ex officio* membership, as may the officers of affiliated groups, such as alumni and parent associations or consultative bodies, e.g., a Board of Visitors or Associates. On the whole, however, it is probably desirable to limit the number of *ex officio* positions because of the possibility of confusing trustee roles and responsibilities with those required in other capacities, including multiple board membership.

Some institutions may require a formal commitment to a doctrinal statement from their members which may or may not be presented in this section of the bylaws.

Because boards vary widely in their makeup, no sample wording is included for this article.

ARTICLE V

Emeriti Trustees

Some institutions have established a special category for trustees who have reached a specified mandatory retirement age or who have served some minimum period of particularly outstanding service. Others, however, find emeriti trusteeships to be unnecessary, or too cumbersome to implement. Emeriti trustees enjoy all the rights and privileges of trustees except the right to vote at board meetings. They may serve on committees with voice and vote.

Emeriti trustees are sometimes elected for life or until they choose to resign. Some institutions prefer to establish a maximum number of such trustees, or a percentage of the total number of voting trustees, along with fixed terms of office and a maximum number of terms, to avoid a group of emeriti trustees disproportionate in size to the board itself.

Sample wording:

A Trustee who has served with unusual distinction for two or more terms, may, upon recommendation of the Committee on Trustees, be elected by a majority of the Trustees present at any meeting as a Trustee Emeritus for a three-year term. Trustees Emeriti shall be entitled to receive notices of all meetings of the Board, to attend and speak at all meetings, to receive minutes of all meetings of the Board and Executive Committee and to be members of all committees except the Executive Committee. They shall have the power to vote in meetings of any committee on which they serve, but shall not have voting powers in meetings of the Board of Trustees, nor shall they be elected to any office of the Board or as Chairperson of any standing committee. A Trustee Emeritus shall not be counted as a member of the Board of Trustees in determining a quorum.

The total number of Trustees Emeriti shall not exceed one-third of the total number of regular voting trustees and each shall be limited to two consecutive three-year terms.

ARTICLE VI

Officers of the Board of Trustees

Officers of the board are usually the chairperson, the vice chairperson, secretary and treasurer. It is good practice to review performance and to elect officers each year. Automatic succession should be avoided. It is recommended that a limited number of terms be specified to provide for periodic rotation of leadership. This opens leadership opportunities and helps to encourage trustee participation and personal growth.

The traditional position of secretary and treasurer may be combined, especially among smaller boards, but on the whole this is probably undesirable, given the growing importance of distinguishing between and exercising properly these functions. Again it is recommended that renewable terms be for one year, and that the number of successive terms be limited.

It is common practice for a board to elect an assistant secretary and an assistant treasurer. These persons are frequently key administrators, perhaps the assistant to the president as assistant secretary and the chief fiscal officer as the assistant treasurer.

Sample wording:

The officers of the Board of Trustees shall be the Chairperson, Vice Chairperson, Secretary, and Treasurer. The officers shall be members of the Board of Trustees.

Unless a vacancy in an office occurs at another time, all officers shall be elected at the annual meeting of the Board of Trustees by a two-thirds vote of the Trustees present. The Chairperson, Vice Chairperson, Secretary and Treasurer shall serve for terms of one year and until their successors are appointed and qualified, unless sooner removed by the Board of Trustees. No Trustee shall serve as Chairperson of the Board for more than three consecutive one-year terms.

The Board may appoint one or more Assistant Treasurers, Assistant Secretaries, and other such officers as may be deemed necessary. These officers may, but need not be, members of the Board of Trustees.

All officers of the Board of Trustees shall serve at the discretion of the Board of Trustees and shall be subject to removal by the affirmative vote of two-thirds of the Trustees present at a meeting of the Board of Trustees.

A vacancy in any of the offices of the Board of Trustees may be filled at any meeting of the Board of Trustees.

ARTICLE VII

Officers of the Institution

This article specifies the administrative officers of the institution who are to be elected by the board of trustees. It is strongly recommended that only the chief executive officer be elected. Any other officer may be confirmed upon the recommendation of the chief executive officer. (Care must be taken to assure that all subordinate officers report directly to the chief executive to avoid confusion in lines of authority and accountability.) Board confirmation of administrative appointments is seldom required below the vice presidential level.

If the sponsoring ecclesiastical body requires specific qualifications for the chief executive, they should be spelled out in this article, e.g., clergy, member of the sponsoring church body and other special characteristics.

Any special selection procedures or required accountability to an outside authority should be stated in this article.

Sample wording:

The Board of Trustees shall elect a Chief Executive Officer of the institution to serve at the pleasure of the Board of Trustees. He or she shall be a member of the (denomination/faith) Church. A two-thirds vote of the Turstees present at a regularly constituted meeting shall be necessary to elect or to remove the Chief Executive Officer from office. In the event of a vacancy, the Board of Trustees shall appoint an acting Chief Executive Officer and a special Search Committee to submit nominations for candidates for the office.

ARTICLE VIII

Duties of the Officers of the Board

Officers' duties should be addressed in separate sections of the same article.

Sample wording:

The **Chairperson** of the Board of Trustees shall preside at all meetings of the Board of Trustees, serve as Chairperson of the Executive Committee and appoint all committees and their chairpersons, except those elected by the Board of Trustees. The Chairperson shall perform all the duties incident to such office and all acts for the institution not delegated to others.

The **Vice Chairperson** of the Board of Trustees shall perform such duties as shall be assigned by the Board of Trustees. In case of death, absence, or inability of the Chairperson of the Board of Trustees to act, the Vice Chairperson shall discharge the duties of the Chairperson until such time as a new Chairperson is elected by the Board.

The **Secretary** shall have custody of the seal of the institution and shall attest to and affix said seal to such documents as required in the business of the institution, including but not limited to deeds, bonds, mortgages, agreements, contracts, diplomas, evidences of the award of degrees, transcripts, abstracts of resolutions, certificates, minutes and bylaws issued pursuant to the authority of the institution. The Secretary shall give proper notice of all meetings of the Board of Trustees and shall keep a record of the appointment of all committees of the Board of Trustees. Furthermore, the Secretary shall keep or cause to be kept a record of the minutes of all meetings of the Board of Trustees and each of its committees. Any of the duties or powers of the Secretary may be performed by an Assistant Secretary who shall be responsible to the Secretary.

The **Treasurer** shall be Chairperson of the Finance and Business Affairs Committee. He or she shall be responsible for carrying out the mandates of the Board of Trustees in overseeing the financial resources of the institution including, but not limited to, cash, securities, stocks, bonds and all other property, personal or real, owned by the institution. The Treasurer shall assure that all books and accounts are accurately kept, and furthermore, shall present a full and detailed financial statement properly audited by an independent certified accountant to the Board at its annual meeting and, if requested, at any other meeting of the Board of Trustees or any meeting of its Finance or Executive Committees.

The **Assistant Secretary(s)** and **Assistant Treasurer(s)** shall perform all duties as assigned by the respective Board officer and shall fulfill those functions consistent with his or her title.

ARTICLE IX

Duties of the Chief Executive Officer

The chief executive officer finds his or her educational and administrative responsibilities quite similar to those of the chief executive officer of a college or university. However, there is frequently the added responsibility of pastoral or spiritual leadership which includes setting a proper tone and direction for the community served.

One key issue for resolution is whether the chief executive should be ex officio a trustee, i.e., a trustee by virtue of his or her position. There are at least two points of view on this matter.

Some students of trusteeship contend that there is an inherent conflict of interest in situations where the chief executive also enjoys voting privileges as a board member, i.e., that the CEO's management and recommending function becomes confused with that of policy-setting, a responsibility which should be reserved only for the board. They also contend that the absence of voting trusteeship does not diminish the chief executive's authority, nor his or her managerial effectiveness, provided the board recognizes and supports his or her role as a leader of trustees, in partnership with the board chairperson. There is also an occasional but practical problem when the CEO may be required to vote on a particularly sensitive issue, especially when the trustees are themselves divided, i.e., it could jeopardize his or her standing with one part of the board or another.

On the other side, proponents of full trusteeship point to the apparently satisfactory practice in business and industry. Indeed, this is a common practice in the independent sector of higher education. To provide otherwise, they contend, significantly diminishes the chief executive's authority; he or she should be an equal among equals in the conduct of board business. Advocates of ex officio trusteeship for the CEO also point to the implicit inconsistency of ex officio trusteeship without vote. Is it not contradictory to provide for "trusteeship" without voting privileges? The debate continues and a trend in one direction or another is not yet clear.

In developing the description for the duties of the chief executive officer careful consideration should be given to delineating both the corporate and other expectations which this officer is expected to fulfill.

Sample wording:

The Chief Executive Officer shall be the chief educational and administrative officer of the institution. He or she shall exercise general responsibility for the overall affairs of the institution and shall bring those matters to the attention of the Board of Trustees that are appropriate and necessary to keep it fully informed and to enable it to meet its policy-making responsibilities. The Chief Executive Officer shall be ex officio a member of the Board of Trustees, and of all committees of the Board, except the Audit Committee, with/without power to vote. He or she shall further see that the

> institution's plant and properties are managed properly, maintained and supervised.
>
> The Chief Executive Officer shall be responsible for the effective organization of the faculty, shall be regarded as a member of the faculty with vote, and shall represent the faculty and other employees of the institution in meetings of the Board of Trustees and its committees. At the direction of, and in cooperation with, the Board of Trustees, he or she shall be responsible for overseeing financial support programs for the objectives and programs of the institution and for representing the institution or causing it to be represented, as may be necessary and appropriate, before the Church, other institutions of learning, and public and private bodies.

ARTICLE X

Meetings of the Board of Trustees

The number and approximate dates of regular board meetings should be specified. Many boards have four regular meetings per year, with one meeting specified as the annual meeting. Some boards meet more frequently, particularly those which choose to function without an executive committee. Boards which meet infrequently provide members with little opportunity to study issues, consider alternatives and make informed policy decisions.

This article should specify the provisions for setting meetings, including the definition of a quorum. Normally the latter should not be less than a majority of the voting membership. Sections on actions without a formal meeting, and proxy voting should also be included.

> **Sample wording:**
>
> There shall be a minimum of four regular meetings of the Board of Trustees each year, in the spring, summer, fall and winter. Meetings shall be held at a time to be determined by the Chairperson of the Board of Trustees and the Chief Executive Officer. The ______ meetings shall be the annual meeting and Trustees and Officers of the Board shall be elected at this meeting.
>
> Special meetings of the Board of Trustees may be called by the Chairperson, the Chief Executive Officer, or one-third of the members of the Board of Trustees at any time. The call for each special meeting of the Board shall state the purpose of such a meeting, and no business shall be transacted at a special meeting except as stated in the call.
>
> Notice of all regular and special meetings shall be mailed by the Secretary of the Board of Trustees to each Trustee at the last known address on record with the Secretary, at least fifteen (15) calendar days prior to the time set for the meeting.
>
> A majority of the voting members of the Board of Trustees shall constitute a quorum for the transaction of business at any regular or special meeting. If a quorum of the Board of Trustees is not present at a meeting, such meeting may be adjourned by the Trustees in attendance until such time as another meeting is regularly constituted.
>
> Unless otherwise specified in these bylaws the affirmative vote of a majority of the Board of Trustees attending any regular or special meeting shall be sufficient for the passage of any motion or resolution, including the election of Trustees.

Action Without Formal Meeting/Proxy Voting

In hopefully rare instances, it may be necessary for a board of trustees or a committee of the board to take action on an important issue between regularly scheduled meetings. Bylaws should include a provision stipulating that a board may conduct a meeting by mail, telecommunication or however else it may deem appropriate in emergency situations. A written consent, setting forth the action taken and signed by all board or committee members, should subsequently be filed with the minutes of that meeting. Trustees should check with their institution's legal counsel to be sure that such bylaw provisions comply with existing state or provincial laws. Clearly, however, such contingencies should rarely, if ever, occur. When official actions are taken without formal meetings, or proxy voting becomes commonplace, these may be symptoms of a deeper problem.

Because state and provincial statutes vary considerably on this matter, including whether proxy voting is permissible and under what circumstances, sample wording is not provided.

ARTICLE XI

Committees

Bylaws should provide for an effective committee structure to assist the board in carrying out its business. Such committees are of two types: standing committees, which are created to perform ongoing functions; and special or ad hoc committees, which are created for a specific assignment, to be disbanded when that assignment is accomplished.

Standing committees may deal with major board matters (such as the Nominating or Trustees Committee) or with specific functional areas of institutional life (such as the Academic Affairs Committee). In most cases, the standing committees can be limited to eight: Executive, Academic and Faculty Affairs, Student Affairs, Finance and Business Affairs, Buildings and Grounds, Development and Public Affairs, Trustees, and Audit, although some boards choose to make the Audit Committee a subcommittee of the Committee on Finance and Business Affairs.

Additional committees or subcommittees might include Institutional Planning, Alumni, and Ethnic Ministries. Although the real work of the board should be done in committee, care should be taken to avoid proliferation. Trustees should serve on at least one committee, but not more than two, not including the Executive Committee. The size of the board, however, will normally determine what is appropriate and possible with regard to the range and number of committees.

Assignment of each trustee to one of the committees dealing with institutional function has the beneficial result of enabling every board member to gain knowledge in some depth about at least one area of institutional life. Committee meetings should be scheduled on a regular basis and staff support provided by the administrator most directly related to the function of that committee. Staffing decisions should be made by the chief executive officer in consultation with each committee chairperson.

Many boards, particularly those with relatively small memberships, find it advantageous to have non-trustees on committees and subcommittees of the board. This can help to broaden access to necessary expertise and skills and can serve as a source of identifying prospective board members. Non-trustees may be appointed by the board chairperson or the Committee on Trustees. The Executive Committee, however, should include only trustees, and all committees should be chaired by trustees.

Some boards as a whole elect committee chairpersons and members, while others give the board chairperson this prerogative. Appointment of committees by the board chairperson, in consultation with the appropriate committee chairperson and the chief executive officer of the institution, is recommended except for the Executive Committee, as noted later. In addition, all committee assignments should be reviewed annually with an eye toward reasonable rotation among members to provide exposure to new areas of interest.

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Executive Committee

The Executive Committee should have broad powers, except for appropriate limitations, to act on behalf of the full board of trustees, but it should exercise such powers rarely lest it undermine the board's responsibilities and affect trustee morale. The bylaws should specify the scope of action which the Executive Committee is empowered to take, always with subsequent board review.

A relatively small board of trustees which meets often may not have need for such a committee. It can, however, be an effective mechanism between regular board meetings to fulfill such functions as: serving as a sounding board for the chief executive and administration; overseeing the institutional planning process; reviewing the compensation, health and morale of the chief executive; and taking actions which cannot wait for a regular board meeting.

The bylaws should specify the frequency of the Executive Committee's meetings, what constitutes a quorum and the procedures for timely distribution of minutes to all trustees.

Sample wording:
Membership

The Executive Committee shall include the officers of the Board, the Chairpersons of the standing committees of the Board of Trustees and two at-large members, the latter to be elected by the full board at its annual meeting. The Chief Executive Officer shall be ex officio a member of the Committee with/without power to vote. The Chairperson of the Board of Trustees shall be the Chairperson of the Executive Committee.

Duties

Between meetings of the Board of Trustees, the Executive Committee shall have general supervision of the administration and property of the institution except that, unless specifically empowered by the Board to do so, it may not take any action inconsistent with a prior act of the Board of Trustees, award degrees, alter bylaws, locate permanent buildings on tax-exempt property held for the institution, remove or appoint the Chief Executive Officer, or take any other action which has been reserved for the Board.

The Committee shall meet regularly during the year. Special meetings shall be called by the Secretary on the written request of the Chairperson or at least (number) of the members. A majority of the members of the Executive Committee shall constitute a quorum. Minutes of the meetings shall be taken and distributed promptly to each member of the Board of Trustees following each Executive Committee meeting.

Academic and Faculty Affairs Committee

The Academic and Faculty Affairs Committee should be responsible for determining policy regarding academic mission, purpose, plans and goals; regular and special programs; student recruitment and admission criteria; achievement of graduates; academic program budget review; faculty personnel policies and procedures; and tenure appointments and rewards.

In addition, the Committee's agenda should include short- and long-range planning issues that affect the academic program and the faculty. It should serve as a constant reminder to both trustees and faculty members that boards have a legitimate and helpful role in academic policy development and in review of program quality.

Some institutions prefer to divide these responsibilities between two standing committees: Educational Affairs and Faculty Affairs. Others have chosen to use a subcommittee structure to differentiate faculty personnel affairs from broader academic affairs. The size of the board and the importance of the educational policy issues confronting the institution will affect committee membership and structure.

Sample wording:
Membership

The Academic and Faculty Affairs Committee shall consist of a minimum of three members of the Board, appointed annually by the Chairperson of the Board after consultation with the Chairperson of the Committee and the Chief Executive Officer of the institution. Faculty and students may be appointed with voting privileges.

Duties

The Academic and Faculty Affairs Committee shall recommend educational policy to the Board of Trustees and shall evaluate compliance with established policy and achievement of academic objectives. It shall review, study and make recommendations to the Board with respect to academic affairs of the institution such as, but not limited to, academic planning, admissions requirements, curriculum, tenure, faculty appointments, faculty salaries and benefits and library development.

Student Affairs Committee

The Student Affairs Committee should be well informed about the range, organization and quality of student services. It should review matters affecting all aspects of student life at the institution, including extracurricular activities, residential policies and counseling. It shall consider proposals on such matters, and report and make recommendations thereon to the board of trustees.

Sample wording:
Membership

The Student Affairs Committee shall consist of a minimum of three members of the Board appointed annually by the Chairperson of the Board after consultation with the Chairperson of the Committee and the Chief Executive Officer of the institution. Faculty and students may be appointed with voting privileges.

Duties

The Student Affairs Committee shall review, study and recommend to the Board of Trustees policy in the area of student life, including, but not limited to, financial aid as it relates to programs, housing, campus organizations and religious, cultural and recreational activities.

Finance and Business Affairs Committee

One of the most important fiduciary responsibilities of trustees in their stewardship role is to oversee the institution's fiscal management. The Finance and Business Affairs Committee, in addition to other responsibilities, should review the annual operating and capital budgets and any major financial transactions not provided for in the approved budgets. It should further submit any such departure from approved budgets to the full board of trustees, and otherwise work with the institution's chief executive and finance officers to ensure that the financial statements and reports are intelligible and made available to all trustees on a periodic basis.

Sample wording:
Membership

The Finance and Business Affairs Committee shall consist of a minimum of three members of the Board, appointed annually by the Chairperson of the Board after consultation with the Chairperson of the Committee and the Chief Executive Officer of the Institution.

Duties

The Finance and Business Affairs Committee shall recommend to the Board policy for effective and efficient financial management of the institution. It shall review, evaluate and make recommendations to the Board with respect to all business functions of the institution, including, but not limited to, budget, business records and systems, financial aid, business planning, legal functions, auxiliary enterprises and non-academic personnel.

Subcommittee on Investments

There shall be a Subcommittee on Investments, and such other subcommittees as the Finance and Business Affairs Committee may wish to create, subject to the approval of the Board. The Subcommittee on Investments shall consist of five members, three of whom must be Trustees, and shall be chaired by a Trustee member of the Finance and Business Affairs Committee.

This Subcommittee shall have powers to act within the guidelines prescribed by the Board as policy concerning investments, including the purchase and sale of investment securities. It shall be the duty of the Subcommittee to supervise all of the investments of the permanent and special funds of the institution and to act upon all changes in or additions to the investment portfolio.

The Subcommittee shall seek such financial counsel as in its judgment will make possible the wisest investment of the funds of the Institution, but which will also be sensitive to the types of investments that are appropriate for a theological school. The Subcommittee shall furthermore establish general operating guidelines for, and monitor closely the performance of, an investment manager or managers.

The Subcommittee shall report its actions through the Finance and Business Affairs Committee to the Executive Committee. Other subcommittees of the Finance and Business Affairs Committee shall be chaired by Trustee members of the Committee, but may include non-trustees in their membership.

Buildings and Grounds Committee

The Buildings and Grounds Committee should be responsible for assuring that the institution's physical plant is maintained properly and efficiently, and that the physical environment of the institution is conducive to both academic and spiritual development. The Committee should review maintenance and operations policies, monitor energy and utility costs and conservation programs, review proposals for new or remodeled facilities, and review the annual operating and capital budgets required to maintain the physical plant. It shall make recommendations to the Committee on Finance and Business Affairs and shall report its activities regularly to the Board of Trustees.

Sample wording:
Membership

The Buildings and Grounds Committee shall consist of a minimum of three members of the Board, appointed annually by the Chairperson of the Board after consultation with the Chairperson of the Committee and the Chief Executive Officer of the institution.

Duties

The Buildings and Grounds Committee shall review the physical plant maintenance and operations policies, monitor energy and utility costs and conservation programs, review proposals for new or remodeled facilities, review the annual operating and capital budgets required to maintain the physical plant, and make recommendations to the Committee on Finance and Business Affairs. It shall report on its activities at the annual meeting of the Board of Trustees and at such other times as it may be requested to do so.

Development and Public Affairs Committee

The Development and Public Affairs Committee, in addition to the responsibilities of policy formulating and monitoring, carries a *functional* responsibility for helping to implement the fund raising and public relations programs, and to identify and enlist volunteer leadership. In so doing, it should provide appropriate roles for all members of the board of trustees to play in advancing the institution.

Sample wording:
Membership

The Development and Public Affairs Committee shall consist of a minimum of three members of the Board, appointed annually by the Chairperson of the Board after consultation with the Chairperson of the Committee and the Chief Executive Officer of the Institution.

Duties

The Development and Public Affairs Committee shall be responsible to the Board for recommending public relations and fund raising policies and programs in support of institutional development objectives established by the Board of Trustees.

The Development and Public Affairs Committee shall design and recommend programs through which all Trustees can fulfill their fund raising responsibilities.

Committee on Trustees

In the past, a Nominating Committee has normally been responsible for presenting to the board an annual slate of new members and officers for election. The critical importance of building strong, well-informed boards has resulted in new responsibilities being added to this committee's job description, responsibilities which include board orientation and education, development of membership criteria and standards of performance and regular review of trustee performance. A more inclusive title is appropriate. Institutions with particularly small boards may assign the responsibilities of the Committee on Trustees to the Executive Committee.

Sample wording:
Membership

The Committee on Trustees shall consist of five members: an at-large member of the Executive Committee, and one member each from the Academic and Faculty Affairs Committee, the Student Affairs Committee, the Finance and Business Affairs Committee and the Development and Public Affairs Committee of the Board, appointed annually by the Chairperson of the Board after consultation with the officers of the Board and the Chief Executive Officer of the institution.

Duties

The Committee on Trustees shall nominate candidates for officers of the Board of Trustees, for at-large membership in the Executive Committee, and for each vacancy that occurs in the membership of the Board. At least (percentage) shall be members of the ______ (church, denomination, faith). Consideration shall be given to the inclusion of persons reflecting the principal geographic area served by the institution.

The Committee shall also nominate candidates for Emeriti Trustees and for membership on the Board of Visitors to the Board. It shall meet no fewer than four times a year to carry on the continuing task of identifying and reviewing Trustee performance, for developing and implementing programs of Board orientation and education, and for periodic review of the structure and function of the Board.

Audit Committee

Fiscal accountability is so important to maintaining credibility that many boards have a standing or ad hoc committee with responsibility for reviewing financial controls and accounting systems, selecting an auditor and assuring that annual audit statements are prepared and distributed properly. In smaller institutions, the responsibilities of this committee may be assumed by the Finance and Business Affairs Committee, or by a subcommittee.

Sample wording:
Membership

The Chairperson of the Board of Trustees, with the advice and consent of the Board of Trustees, shall appoint an Audit Committee consisting of three members, in addition to the Treasurer who shall serve as ex officio member. The Chairperson of the Board shall appoint one of the members other than the Treasurer to serve as Chairperson of the Committee.

Duties

The Audit Committee shall evaluate periodically the financial controls and accounting systems of the institution and recommend the designation of an independent auditor each year. It shall cause to be prepared and submitted to the Board of Trustees, at least once a year, audited financial statements showing the financial condition of the institution at the close of the fiscal year. The Committee may request any designated independent auditor, or any officer or employee of the institution, to appear before it to report on the financial condition of the institution and to answer any questions the Committee might have. The Chief Executive Officer of the institution shall *not* be ex officio a member of the Audit Committee but may, upon invitation of the Committee, attend any meeting.

ARTICLE XII

Consultative Bodies

Many institutions have utilized consultative bodies to the board of trustees. Frequently identified as "Boards of Visitors" or "Boards of Associates," these organizations can be helpful in developing a "grassroots" understanding and support of the institution. It is essential that the scope, mission and purpose, and organization of such consultative bodies be clearly defined. The trustees and chief executive must be committed to including these groups in substantive issues and providing necessary staff to support their activities.

Note: Although sample wording is provided below, it is usually good practice to establish such an auxiliary body by separate board action and policy, i.e., apart from the board's bylaws. Such a statement of purpose and organization could be made part of the board's handbook of basic documents.

Sample wording:

The Board of Trustees is authorized to establish a separate Board of Visitors consisting of selected ministers and denominational executives, including key representatives from (conference/synods/diocese) of the (Church).

The purpose of this body is to provide for effective communication and informative exchange and service between the Church and institution. It shall advise the Board of Trustees and the Chief Executive Officer on matters of mutual interest and concern, including fund raising and public relations.

The Chairperson of the Board of Visitors will present a report of the Board's activities and recommendations each year to the full Board of Trustees. Members of the Board of Visitors may attend regular meetings of the Board of Trustees and are urged to make themselves available, on an individual basis when requested by the Chief Executive Officer of the institution, to serve as advisors.

The members of the Board of Visitors shall be elected for two-year terms by the Board of Trustees. There shall be no limitation on their numbers. The Executive Committee of the Board shall appoint annually a Chairperson of the Board of Visitors from among its membership.

ARTICLE XIII

Indemnification

Every institution should provide for indemnification of its trustees. Although it is assumed that trustees act in the best interest of the institution, a formal provision should nevertheless be incorporated in the bylaws to help to provide some measure of protection against personal liability. (The Board may also authorize the purchase of trustee liability insurance as part of the institution's overall risk management program.)

Sample wording:

Each Trustee and Officer of the institution shall be indemnified by it against all expenses actually and necessarily incurred by such Trustee or Officer in connection with the defense of any action, suit or proceeding to which he or she has been made a party by reason of his or her being or having been such Trustee or Officer except in relation to matters as to which such Trustee or Officer shall be adjudicated in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of duty.

ARTICLE XIV
Conflict of Interest

Recent years have seen a growing amount of litigation involving trustees of educational institutions, including institutions of theological education. Conflict of interest is one of the issues which may give rise to such litigation.

A trustee's fiduciary responsibility goes beyond simple honesty. When special interests or allegiances exist which might compromise the trustee's ability to act wholly in the interests of the institution, disclosure of the potential conflict is essential, together with non-participation in decisions which the conflict of interest might affect.

The school should, with the aid of counsel, establish written policies and procedures for disclosing, reporting, evaluating and reviewing conflict of interest situations. Trustees should be made aware of these policies and procedures upon their election to the board and, thereafter, should be reminded of them annually.

Sample wording:

A Trustee shall be considered to have a conflict of interest if: such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his or her responsibilities to the institution; or such Trustee is aware that a member of his or her family (which for purposes of this paragraph shall be spouse, parents, siblings, children and any other relative if the latter reside in the same household as the Trustee), or any organization in which such Trustee (or member of his or her family) is an officer, director, employee, member, partner, trustee or controlling stockholder, has such existing or potential financial or other interest.

All Trustees shall disclose to the Board any possible conflict of interest at the earliest practical time. No Trustee shall vote on any matter, under consideration at a Board or Committee meeting, in which such Trustee has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee having a conflict of interest abstained from voting. Any Trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board or Committee to resolve the question by a majority vote.

ARTICLE XV
Discrimination Prohibited

The issues of school policy concerning its mission and role as employers, and in the admission of students, are very complex for some institutions. There is no substitute for access to able legal counsel. Although Appendix II may be helpful, readers should remember that it reflects perspectives particularly applicable to the United States at a time when statutes and regulations are under review.

ARTICLE XVI
Amendments

An important and little recognized article is the one providing for change in bylaws. Board bylaws tend to be reviewed too infrequently. Such a review should take place annually at the initiative of the board's secretary and Executive Committee.

Sample wording:

These bylaws shall be reviewed annually by the Executive Committee, and may be amended at any regular meeting of the Board of Trustees, or at a special meeting of the Board of Trustees called for that purpose, by a two-thirds vote of those present, provided notice of the proposed amendment is sent to all trustees at least (number) days prior to the meeting.

APPENDIX III A

Illustrative Bylaw Outline

I. Name, Purpose and Location

1. Institution, corporation, seminary is known as "______"
2. Solely for purposes stated in charter or other pertinent documents
3. Not-for-profit and tax exempt status
4. Principal location in "city," "county," "state," "province"
5. Branches established as board deems proper

II. Affiliation and Ecclesiastical Authority

1. Affiliated with, related to, sponsored by, agency of ______, with reference to pertinent documents
2. Ecclesiastical authority, with reference to pertinent documents
3. Faith commitment, with reference to pertinent documents

III. Powers and Responsibilities of Trustees

1. General statement of powers vested in board of trustees
2. Listing of, but not limited to, specific powers, e.g., elect and remove chief executive officer, approve degrees in course, confer honorary degrees, authorize educational programs, appoint faculty, etc.
3. Listing of, but not limited to, specific responsibilities, e.g., participation in financial support and management, representation to the public, assessment of performance, clarification of mission and purpose, preserving institutional health and integrity, court of final appeal and self-evaluation

IV. Membership of Board of Trustees

1. Number of voting members
2. Qualifications for membership
3. Method(s) for election of members and date terms begin
4. Length of term and percentage of members whose terms expire annually
5. Consecutive term limitation and sabbatical required before re-election
6. Other limitations, e.g., mandatory retirement age
7. Filling vacancies, when and by what method
8. Removal of trustees
9. Additional ex officio members with vote
10. Additional ex officio members without vote
11. Pledge of commitment to the institution

V. Emeriti Trustees

1. Emeriti
    - qualifications
    - method of election
    - rights and privileges

VI. Officers of the Board of Trustees

1. Statement specifying titles of officers
2. Qualifications for office
3. Method of election, length of term, consecutive term limitation
4. Removal from office
5. Filling vacancy

6. Other officers who need not be trustees

VII. Officers of the Institution

1. Statement of Officers to be elected and/or appointed by the board
2. Qualifications for office
3. Method and procedure of appointment/approval
4. Removal from office
5. Filling vacancy

VIII. Duties of the Officers of the Board

1. Chairperson:
   presides at all meetings
   serves as chairperson of the executive committee;
   appoints committees and chairpersons duties incident to such office; acts not delegated to others;
   principal contact with the chief executive between board meetings
2. Vice Chairperson:
   specific areas of responsibility
   other duties as assigned by Board;
   identification of vice chairperson to fill in for chairperson
3. Secretary; Treasurer; Secretary/Treasurer:
   specific areas of responsibility;
   other duties as assigned by board;
4. Assistant Secretary; Assistant Treasurer; Assistant Secretary/Treasurer:
   specific areas of responsibility;
   duties as assigned by secretary; treasurer; secretary/treasurer

IX. Duties of the Chief Executive Officer

1. President/Dean/Rector (Chief Executive Officer):
   spiritual leader;
   educational and administrative head;
   comprehensive statement of primary responsibilities;
   ex officio member of board and all committees with/without vote;
   exercises general superintendence of all affairs;
   brings matters to board's attention necessary for their function;
   implements and makes effective actions of the board;
   responsible for other specified functions or activities

X. Meetings of the Board of Trustees

1. Regular—number during year; specific months or dates or as determined by chairperson and chief executive
2. Month or date of annual meeting
3. Special—may be called by chairperson, chief executive or percentage of board
4. Notice of meetings—form; days prior to meeting; method of assuring or verifying receipt
5. Quorum
6. Action to be allowed without meeting—signed authorization by trustees; percentage required
7. Proxy voting allowed/denied

XI. Committees

1. Authorization of standing committees
   - members to be appointed

by chairperson of board may include non-trustees, except for executive committee
- majority of members must be trustees
- ex officio members specified

2. Standing committees may be discontinued as board determines
3. Should be serviced by the appropriate officer of the institution
4. Shall meet regularly or according to a stated schedule
5. Authorization of special committees
6. Authorization of subcommittees
7. Executive Committee
   - business required between meetings of board unless empowered by board, may not take specified actions
   - minutes of meetings reviewed by all trustees
   - quorum
   - meetings determined by chairperson
   - special meetings called by chairperson or chief executive; others
8. Academic and Faculty Affairs Committee
   - review educational policies to achieve objectives of institution
   - review and evaluate policies and progress
   - study and recommend, but not limited to, specific areas of academics, faculty and enrollment objectives
   - recommend long-range educational plans and programs
9. Student Affairs Committee
   - review and recommend programs and policies related to student affairs
   - review and recommend program for growth and development of student life on the campus, including academic programs, admissions, housing policies, health services and counseling
10. Finance and Business Affairs Committee
    - recommend business policy
    - review and evaluate policies and progress
    - study and recommend on, but not limited to, specific areas of business functions, facilities, legal functions, auxiliary enterprises, non-academic personnel, etc.
    - recommend business and financial programs and plans
    - manage investments and endowments; may do so through a subcommittee on investments; if so, specify subcommittee functions and authority
11. Buildings and Grounds Committee
    - review physical plant maintenance and operations policies
    - review and recommend approval of plans and cost estimates for new and remodeled facilities
    - monitor energy and utility cost and conservation programs
    - review annual operating and capital budgets

12. Development and Public Affairs Committee
    - recommend policy for development program of institution
    - review and evaluate policies and progress
    - review and recommend on, but not limited to, specific areas such as fund raising, constituent relations, public relations, student recruitment, etc.
13. Trustees Committee
    - nominate candidates for officers, members, emeriti
    - meet regularly
    - review prospective board members
    - evaluate current members' performance
    - develop and implement programs of orientation and education
    - review structure and function of board
14. Audit Committee
    - review financial controls and accounting systems
    - recommend independent auditor each year
    - prepare annual audited financial statements
    - chief executive is not member

XII. Consultative Bodies

1. Name
    - if such bodies are to be established formally, list each in separate section; state authorization, membership, method of appointment; describe specific duties and powers; describe relationship to board

XIII. Indemnification

1. Each trustee and officer shall be indemnified against all expenses incurred in connection with the defense of any action, suit or proceeding to which he or she has been made party by virtue of being a trustee or officer. It is strongly recommended that trustees and officers consult with the institution's legal counsel.

XIV. Conflict of Interest

1. Trustee shall have conflict of interest if trustee or member of family has existing or potential interests which might impair independent judgment; trustee must disclose possible conflict of interest; trustee shall not vote on such matters, and minutes must so reflect; trustee may request board to determine if conflict exists and question will be resolved by majority vote; refer to separate policy statement

XV. Discrimination Prohibited

1. Institution does not discriminate on basis of race, creed, color, national or ethnic origin, sex, or age, or physical disability (consult legal counsel)

XVI. Amendments

1. May be amended at any regular meeting provided notice of intention to amend is given; may be amended at any special meeting called for that purpose; text of proposed amendment included with notice; requires a vote of (number) members present or

(percent) of entire membership
2. Review bylaws annually

APPENDIX III B

Comment on Discrimination Clause

(Article XV)

As Employers

As employers, theological schools are covered by federal legislation which prohibits employment discrimination for reasons of race, sex, religion, age and national origin. State laws may also cover these issues.

A theological school may well believe that religious preference in employment is essential to carry out its mission and commitments. It thus may seek exemption from federal or state nondiscrimination laws in order to protect employment practices and policies which reflect deeply-felt religious doctrines.

In general, an institution is governed by federal legislation and regulation because it is: a federal contractor; a recipient of federal funds; an employer governed by general employment legislation; or tax exempt. Few, if any, theological schools are federal contractors and most are not recipients of federal funds. Accordingly, the legislation which raises employment discrimination questions is applicable to theological schools as employers. In addition, tax exempt status granted by the Internal Revenue Service has triggered regulations on racially discriminatory policies.

Congress has provided legislative exemption for certain employment practices of religious institutions. Title VII of the Civil Rights Act of 1964 prohibits discrimination in employment on the basis of race, religion, sex and national origin; however, the Act also provides several limited exemptions that permit religious institutions to engage in religious preference in employment. In general, the courts have upheld the right of religious institutions of higher education to practice religious discrimination in employment of faculty members and administrators, particularly those who are essential to the religious mission of the institution. Courts may distinguish between those employees thus exempted, and those employees such as groundskeepers, food service and other support personnel, who are not essential to the religious mission and, therefore, not exempt.

In 1971 a federal court ruled that institutions granted 501 (c)(3) status, which provides federal tax exemption to the institution and tax deductibility to donor contributions, may not discriminate on the basis of race, because such discrimination is against "public policy." Since that time, the Internal Revenue Service has issued regulations which prohibit racial discrimination by independent educational institutions that obtain 501(c)(3) status. This area has been fraught with controversy and litigation.

While many theological schools will want to exercise religious preference in the hiring of faculty members and administrators, most will not choose to discriminate on the basis of race, sex, national origin or age. Nonetheless, in the event of legal challenge, it may be difficult to separate issues of religious discrimination from the others. In addition, many theological school administrators who do not wish to exercise employment preference on any basis but religion are nonetheless deeply concerned about the reach of federal regulations and the constitutional implications of such regulations.

If a claimant alleges discrimination on the basis of race, sex or age, an institution should be aware of the various arguments it can mount in defending against such an allegation. In such cases, the courts are likely to examine statutory and regulatory exemptions as well as constitutional arguments. In so doing, the courts will have to balance the constitutional limitations upon governmental intrusions into matters affecting the religious nature of the institution with the competing goal of not immunizing discriminatory employment practices that have no bearing on the religious character of the institution. At this time, there are numerous unanswered legal questions about the outcome of that balancing process.

In summary, theological schools should periodically reassess both employment practices and emerging legal doctrines. Specifically, they should:

1. Determine what employment preference practices are essential to maintain the fundamental religious character and mission of the institution.
2. Determine what federal or state laws prohibit the exercise of these preferences and whether any statutory or regulatory exemptions, express or implied, apply. That determination will ordinarily require careful analysis of the theological school structure and mission, its relationship to any sponsoring religious institution and the importance of the employees in question to the religious mission of the school.
3. Determine whether constitutional arguments may be available even when statutory or regulatory exemptions are not.

Student Admissions

The policies and practices of theological schools across the country concerning the admission of students are quite diverse. They are very much affected by whether the school adopts standards for admission which reflect requirements for ordination specified by any affiliated religious body or churches which its graduates are expected to serve. While most theological school policies do not restrict student admissions on the basis of race, many may exercise some limitation based upon religious affiliation, sex, sexual preference or marital status. The state of the law with respect to the validity of these preferences about student admissions is quite uncertain.

Until recently, Internal Revenue Service guidelines have made it clear that the Service has denied tax-exempt status to charitable institutions which discriminate on the basis of race. This issue is currently being reviewed by the Congress and the administration in Washington, D.C.

However, neither Congress nor the Internal Revenue Service has ever denied the legitimacy of the exercise of religious preference in student admissions for any religiously affiliated school, including theological schools. The legal questions about such religious preference have been raised in litigation, testing the validity of public financial support to such schools, but that issue seems to be of minor concern to most theological schools. The other criteria mentioned above, such as marital status and sexual preference, have not as yet been tested widely in the courts in student admission cases. At least one state appellate court has affirmed the right of a theological school to refuse to award a degree to an advanced student who, three years after entering the school, disclosed that he was a homosexual. However, that case was decided under state contract law, not First Amendment or other federal law standards.

While the legal standards in the student admission arena are uncertain, these are questions of such basic importance to the mission of the school that the board of trustees should be involved in making judgments about selectivity in student admissions and the role of the theological school in relation to the needs and policies of any affiliated religious body or church.

In conclusion, any bylaw provision which clarifies the board's policy concerning antidiscrimination with regard to the institution as an employer and the admission of students should be considered carefully with legal advice.

APPENDIX III C

Suggested Readings

Association of Governing Boards of Universities and Colleges. "Guidelines for Policies Affecting Potential Conflicts of Interest." *AGB Reports,* 1979, 21(1), 31–34.

Association of Governing Boards of Universities and Colleges. *Illustrative Bylaws for Independent Colleges.* Washington, D.C.: Association of Governing Boards of Universities and Colleges, 1981.

Ben C. Fisher *Summary of Findings on Organization of Board of Trustees of Accredited Theological Seminaries in the U.S. and Canada.* Wake Forest, N.C.: Southeastern Baptist Theological Seminary, 1981.

Robert L. Gale "Selecting and Deploying Trustees." In Richard T. Ingram (Ed.), *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass, 1980.

Richard T. Ingram "Organizing the Board." In Richard T. Ingram (Ed.), *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass, 1980.

John W. Nason "Responsibilities of the Governing Board." In Richard T. Ingram (Ed.), *Handbook of College and University Trusteeship.* San Francisco: Jossey-Bass, 1980.

APPENDIX IV

TRUSTEES AND PREVENTIVE LAW

Increased litigiousness is a cultural phenomenon that affects all sectors of society. Responsible trusteeship requires that a trustee must be aware of the legal environment in which an institution must operate.

Higher education is no longer immune from the pressures generating litigation.

A sampling of cases:

Trustees:

- Students and faculty members sue trustees for breach of fiduciary duty in the closing of their institution.
- Faculty, students and dissenting trustees seek removal of trustees for mismanagement.

Administrators:

- Professor sues dean for discrimination on the basis of sex in promotion and tenure decisions.
- Tenured professor sues president for reinstatement challenging a finding of financial exigency.
- Professor sues dean for defamation in the communication of confidential personnel material.

Students:

- Student sues for reinstatement after academic dismissal.
- Student sues university for failure to follow institutional policies on disciplinary dismissal.

While this list need not be a cause for excessive alarm, it should alert trustees to the need for their institution to develop better procedures and management techniques that will minimize potential exposure to lawsuits. In short, trustees and administrators should be informed and sensitive to the new legal environment of their institutions and seek preventive legal advice.

Trustees Should Understand the Legal Environment

The changed legal environment has forced institutions and their trustees to look very closely at their campuses and to become informed about new requirements defined by the courts and by legislation. Trustees must be informed about the legal parameters within which the modern institution of higher learning must operate.

What follows is an overview of federal requirements with respect to nondiscrimination, tax-exempt status, and collective bargaining; state legislation affecting institutions; constitutional requirements applied to state institutions' contractual obligations; potential liability in tort litigation; and special problems of church-related institutions. Following examination of these problem areas, the discussion sets forth legal responsibilities of trustees and some specific preventive measures for trustees in their stewardship.

Federal Regulation

Federal obligations such as social security and fair labor standards have affected higher education for a long time. The decade of the 1970s saw increasing federal activity through legislation and regulations implemented to prevent discrimination on the basis of race, sex, religion, national origin, age or handicap.

These initiatives placed new responsibility on institutions to develop nondiscrimination policies and procedures, and in some cases challenged long-established employment practices such as the peer review system and its subjective decision-making process. Institutions have had to meet new requirements if they were recipients of federal funds. Violation of anti-discrimination laws is very expensive; remedies include back pay, promotion, the possibility of judicially mandated tenure, and in some cases significantly altered student admission criteria. Furthermore, new health and safety regulations affect all institutions and collective bargaining was extended to the campuses of independent institutions in 1970.

State Regulation

Until recently, independent institutions have been little affected by state legislation; however, in a number of areas they are. Tuition grants are accompanied by provisions regulating their use. Legislation protecting students as "consumers" is forthcoming, as is nondiscrimination legislation. State higher education coordinating agencies will have an increasing influence on the decisions of independent as well as state institutions.

Contract Claims

Although constitutional due process guarantees apply only at state institutions, faculty and students at both state and independent institutions can bring claims against colleges based on alleged violations of contract. The term contract is broadly construed and can include policies written in college catalogues, faculty manuals, student handbooks, other written documents and can include unwritten norms widely accepted in the academic community. Moreover, contract language need not be explicitly stated, but a finding for a plaintiff can be based on an "implied" term of the contract. Thus, one court found that a university school of architecture had an implicit obligation to provide its students with an accredited academic program.

Faculty members have successfully sued institutions for failure to follow the established personnel policies of the institution. Students have brought suits alleging that a college failed to provide the educational program that the college promised it would deliver.

Tenured professors have challenged termination for reasons of financial exigency and suits challenging termination for cause, including alleged incompetency, are beginning to surface.

Torts

Many lawsuits against institutions are based on alleged negligence, misrepresentation, or defamation. Such actions draw upon the legal theory of tort, from the Latin "tortus," meaning twisted. A tort is any civil wrong except a breach of contract. A typical tort action involves injury to a student who alleges negligence of a college that results from, for example, hazardous classroom activity, or a fall on an icy sidewalk. Tort theory is now being pushed into new areas. For example, suits have arisen for injuries that occur as the result of off-campus events, or for injuries to intellectual development or career caused by incompetent or careless teaching practices. All higher education institutions are being challenged to provide safe environments for their students. Professors have brought action alleging defamation when a college administrator has in a written evaluation, reflected unfavorably on a professor's abilities thereby potentially jeopardizing opportunities for further employment.

Special Problems of Church-Related Institutions

Some of the above topics may present special problems for theological schools and church-related colleges. Nondiscrimination requirements, for example, sometimes conflict with a school's exercise of religious preference in hiring faculty members or in admitting students. Acceptance of public funding colors certain program decisions.

Some institutions have challenged federal legislation as an unwarranted intrusion of the state into church affairs—participation in federal unemployment insurance and the applicability of the National Labor Relations Act to faculty collective bargaining are two examples. Boards must determine to what extent perceived intervention by government truly infringes upon religious liberty; if the intervention is regarded as critically affecting the religious mission of the institution, then an appropriate challenge can be mounted.

Responsibility of Trustees

What then, are the responsibilities of trustees in these situations? In general, in litigation a board of trustees is sued in its representative capacity; however, sometimes trustees are sued individually. Even if trustees are not named as defendants, they have a responsibility to assist, guide and evaluate the institution. In two dramatic and recent cases, courts removed trustees who were held to have failed to perform their fiduciary responsibilities to their institutions.

A key issue for trustees is the standard to which they are held accountable. In 1974, a Federal District Court in Washington, D.C., considered this question. Judge Gerhard Gesell in a superbly reasoned decision fashioned guidelines that should be adhered to by all trustees. In the case, involving a charitable hospital, he ruled that directors of charitable institutions should be held to the corporate standard of care, which is different from the standard of care applied to trustees of a trust. Specifically, he declared that directors of charitable corporations are required to exercise "ordinary and reasonable care in the performance of their duties, exhibiting honesty and good faith." Thus, although board members are sometimes called trustees or governors, their function is similar in scope to that of a board of directors of a profit corporation.

In fact, boards of modern charitable institutions have responsibility for budgets and fund raising, manage significant amounts of property and employees, and make decisions which have social and economic impact. Thus, the emerging trend of court decisions and nonprofit corporate legislation is to hold the trustee of the nonprofit corporation to the same standard of care as that of a director of a business corporation. The legal obligations of a trustee fall into two main categories—the duty of loyalty, and the duty of care to the institution.

Duty of Loyalty

The trustee holds a position of public trust; in this fiduciary relationship the trustee serves the institution and the public to which the institution is dedicated. An individual trustee owes a duty of loyalty—that is, the trustee must remain loyal to the institution as a whole and claim no allegiance to a special interest group such as alumni, faculty, or outside business interests. The basic principle the trustee must observe is to avoid using the position for personal gain or advantage or to obtain favored status for a special group or business or family entity.

In a decision involving a potential conflict of interest, the action by the trustee must be premised on fairness to the institution. The standard commonly used to determine fairness is whether the proposed transaction is at least as favorable to the institution as it would be with a different person or entity not associated with the board.

Personal liability may be imposed upon a trustee when there is a breach of loyalty. Failure to disclose a potential conflict may cause a contract to be voided by a court. If there is self-dealing by the board member and evidence of bad faith or fraud with resultant financial harm to the institution, the trustee may be held personally liable.

Duty of Care

In addition to the duty of loyalty, a duty of care is owed; the trustee must act in good faith using the care, skill, common sense, and informed judgment that a reasonably prudent person would use in a similar situation. A breach of the duty of care may lead to a charge of mismanagement which can result in personal liability.

When a trustee accepts a board position, the trustee accepts certain responsibilities.

- to attend meetings of the board and committees;
- to examine financial statements of the institution;
- to acquire a working knowledge of institutional policies;
- to make inquiries;
- to discharge responsibilities in a reasonable, prudent and informed manner.

Can Trustees Be Held Liable?

In what situations can trustees be held liable for damages? We have noted that trustees are often named as defendants in breach of contract cases, since they have ultimate responsibility for management of the institution. They also can be named defendants in tort claims involving allegations of negligence or defamation; and at a state institution, under civil rights statutes if board members knew or should have known that an action violated the constitutional rights of a student or faculty member. When a trustee acts in a representative capacity the liability falls upon the institution, but if a trustee acts outside the representative capacity, personal liability may result. For example, a contract executed by a trustee on behalf of the institution and with institutional authority is within the representative capacity; actions by the trustee without authorization by institutional bylaws or board resolution are probably personal actions.

In addition, to actions brought by a particular grievant for specific injuries, sometimes actions are brought against trustees for general nonmanagement or mismanagement of an institution. In 1979, a Pennsylvania court removed certain trustees from the board of an independent college for failure to perform their duties and, in the case of one trustee, for a conflict of interest; the court also required the trustees to pay their own defense costs. The trustees (defendants in the suit) had voted to close the college. Faculty, students, alumni and friends sued to reverse the decision. The court found that the trustees had allowed the college to slide into a precarious financial position, and in closing the institution, they had panicked, acting precipitously and without full knowledge of the facts. This lower court decision was settled and not appealed; however, it does illustrate that trustees must perform the jobs they are elected to do and must be well informed when making decisions.

In another case, the New York board of regents ordered removal of trustees at a music school because they had allowed the president—without board approval—to abolish one program, decimate another, and publish a catalogue which misrepresented the courses offered in the event of the planned termination of some 25 faculty members.

Protective Measures—Insurance and Indemnity

Trustees no longer enjoy broad immunity from legal challenge. The traditional governmental immunity for trustees at state institutions has been eroded in recent years. Thus state institutions can no longer rely on this doctrine as a bar to claims based on state law. Likewise, independent institutions that once enjoyed protection by the doctrine of charitable immunity have seen that doctrine eroded; they too must be prepared to defend in the event of a lawsuit.

Litigation is very expensive, even for the successful party. Such exposure and expenses are burdensome when imposed on salaried college officers or trustees who donate their time. In general, state statutes allow nonprofit corporations to indemnify directors, trustees, and officers against expenses, attorney fees and liabilities incurred because of activity undertaken on behalf of the institution, sometimes even in advance of the litigation. Typically, indemnification is allowed when the trustee has acted fairly and reasonably, but is not allowed for acts of gross or willful misconduct or in criminal actions. If an institution determines to indemnify trustees and officers, the board should specifically authorize such action.

Furthermore, institutions can purchase insurance to cover an obligation to indemnify officers and board members. When purchasing directors' and officers' liability insurance, the institutions should take note of the costs and the limits to allowable damages provided by the policy. In examining various insurance policies, which are becoming increasingly costly to obtain, particular attention should be devoted to such facets as exclusions (libel, slander, and dishonest acts, the definition of which is constantly being enlarged), deductible amounts, and whether coverage is triggered by date of occurrence or the date the claim is made and whether full disclosure of all potential claims has been made on the insurance application.

While the exposure of trustees and officers to litigation and liability is now greater than before, the standards of performance do not appear to be unreasonable. If trustees are attentive to business, exercise ordinary good judgment, and do not interfere with a president's duty to manage, a large measure of prevention will be achieved.

Trustees Should Use Preventative Law!

Although the board should refrain from becoming involved in management, four functions of a corporate board are suggested which are applicable to nonprofit institutions as well: (1) the advisory function, by which the board "is treated as a group of management consultants, finance experts, engineers and lawyers"; (2) the disciplinary function, in which the board "can compel management to justify its proposed action"; (3) the succession function, in which the board helps to identify and recruit a new president; and (4) the function of crisis response, in which "an alert board will start to ask questions and consider shaking things up."

In the exercise of these functions, the board should pay particular attention to the following specific areas.

Board Procedures:

- Each board member should avoid conflicts of interest and affiliations that might present potential conflict of interest.
- Each board member should attend board and committee meetings, critically examine financial statements, and acquire working knowledge of institutional policies.
- The board should work closely with legal counsel in identifying legal ramifications of policies affecting employment, student affairs, finance, investments and other matters. Counsel should be consulted and involved with the board and administration in the early stages of decision making.
- The board should maintain accurate and complete minutes of all board and committee meetings, documenting the decision criteria and ultimate action by the board or the committee.

Planning:

- The board should participate with other segments of the campus community in the development of objectives with respect to educational purpose and mission, so that decisions affecting program can be evaluated with respect to such objectives.
- It should participate in planning for the financial health of the institution and assure development of adequate retrenchment procedures.
- It should develop a process for the review of recommendations made by trustees, officers and outside consultants. If recommendations are implemented or are rejected, the board should insist on full information and documentation regarding the reasons for implementation or rejection.

Faculty:

- The board should insure that criteria and procedures to be used in hiring, evaluation, promotion, and granting of tenure have been developed.
- It should review criteria and procedures to make sure they embody principles of good faith, include peer review, and provide clearly articulated appeals procedures that are applied fairly so to as to forestall claims of discrimination.
- It should determine which policies of organizations such as the AAUP are to be included in contractual documents, and specifically, determine which AAUP statements on tenure and financial exigency are incorporated and which are excluded.

Students:

- The board should establish a process for the review of all documents, such as catalogues and student handbooks, which include express or implied contracts with reference to tuition, program offerings, and promises about educational output (particularly those related to future job opportunities).
- It should insure that clearly defined procedures including appeals for academic and disciplinary dismissals have been developed.
- It should insist on continuous evaluation of the institution's educational program to assure that the program lives up to promised objectives.
- It should insure that matters related to campus security are taken seriously and that a program of risk management is implemented.

Litigation has served to highlight the need for clearly articulated procedures which incorporate fairness and reasonableness. A trustee who is diligent and who acts in good faith need not be cowed by such requirements, but can view them instead as guidelines for responsible stewardship.

This is taken from the AGB pocket publication *Trustees and Preventive Law* by Kent Weeks.

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